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To: BUCHAREST STOCK EXCHANGE

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FINANCIAL SUPERVISORY AUTHORITY

FINANCIAL INSTRUMENTS AND INVESTMENTS SECTOR

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PRESS RELEASE

**For the purpose of properly informing shareholders of
Societatea de Investiții Financiare Oltenia S.A.**

Regarding: The requests for the introduction of items on the agenda of the Ordinary General Meeting of Shareholders of Societatea de Investiții Financiare Oltenia S.A. from 28/29.04.2020, submitted by S.I.F. Banat Crisana S.A., S.I.F. Muntenia S.A. respectively by S.A.I. Certinvest S.A., as administrator of FDI Certinvest BET FI Index, FDI Certinvest XT Index and FI Alternativ Certinvest Actiuni.

Considering that both the object of the requests to supplement the agenda, as well as their justification contain unrealistic information that can lead shareholders into mistrust, we bring the following **clarifications**.

I. The action of the mentioned shareholders represent one more attempt to abusively take over the higher management and the administrative management of S.I.F. Oltenia S.A. in the interest of their group, **but also a disturbance of the company activity at a difficult time that the entire economy is crossing and the public health is in great danger.**

We bring to attention the fact that FI Alternativ Certinvest is wholly owned on December 31st 2019 by SIF 1 and SIF 4, which finance the fund's capital in proportion of 100%, with a total stake of 113,555,393 lei. This fund holds shares representing a percentage of 4.9572% of the share capital of S.I.F. Oltenia S.A. and together with the other two mentioned funds, managed by SAI Certinvest

they have a total holding of 5.0056% of the capital of S.I.F. Oltenia S.A.

Moreover, SIF 1 and SIF 4 together with the investment funds financed in proportion of over 40% by them, hold a total stake of over 30.5% of the share capital with voting right of S.I.F. Oltenia. Consequently, they control any decision because historically, the largest quorum registered at the General Meetings is below 58% of the share capital.

Thus, although there have been registered two requests to supplement the agenda of the meeting that are apparently independent, in reality the requesting shareholders are under the direct or indirect control of S.I.F. Banat Crisana. Also, both requests represent interventions that will lead to paralyzing the activity of the Board of Administration by the possible revocation of the majority of members, being known the fact that this leading body will not be able to take any decision.

II. The items on the agenda requested to be introduced regarding the dismissal of the administrators Tudor Ciurezu, Anina Radu, Carmen Popa, Nicolae Stoian, the one regarding the termination of the mandate of the General Manager as well as the election of four new administrators, are the object of the request of the shareholders of SIF 1 and SIF 4 of organization and development of an Ordinary General Meeting of Shareholders of Societatea de Investitii Financiare Oltenia S.A. requested in the month of June 2019, pending at Craiova Court of Appeal.

III. Item 4 on the agenda requested to be introduced by the shareholders of SIF 1 and SIF 4 having as object: *„approval to attract the liability of the administrators Tudor Ciurezu, Anina Radu, Carmen Popa and Nicolae Stoian for the damage caused by them to Societatea de Investitii Financiare Oltenia S.A. in the estimated amount of 336,296 lei as a result of the violation by the administrators of their duties towards the company by alienating the shares of Prodplast S.A.”* constitutes an act of intimidation, harassment and discredit of the four administrators, who are put in a discriminatory situation against the other members of the Board of Administration, **taking into account at least the following reasons:**

- The decision regarding the opportunity of selling the package of shares held by Societatea de Investitii Financiare Oltenia S.A. in S.C. Prodplast S.A. by participating in the secondary Public Offer organized by the company as well as by transactions on the capital market **was taken by the Board of Administration of S.I.F. Oltenia S.A. from 06.12.2019 through the unanimous vote of all the seven administrators**, based on the Opportunity Report no. 290/DE/29.11.2019.
- The subscription form for the purchase offer of the shares issued by S.C. Prodplast S.A. at the price of 2.52 lei/share was signed **by the General Manager and the Deputy General Manager**, respectively by Tudor Ciurezu and Cristian Busu, in compliance with the terms approved by the Board of Administration of the company in the meeting of 06.12.2019.

- The average trading price of S.C. Prodplast S.A. shares on BVB – regular section realized in the last 15 months preceding the offer (01.01.2019 – 31.03.2020) was of 2.50 lei/share. A number of 396,796 shares were traded (2.3% of the total 17,072,385 shares). In 2018 a volume of 56,456 (0.33% of the share capital) shares were traded at an average price of 2.3756 lei/share. The volume of shares traded in the last two years on this issuer of only 2.63% of the share capital qualifies the PPL action as being an action with very low liquidity, low attractiveness and very difficult to exploit.
- The placement that was the object of subscription within the buy-back offer results from the operation of dividing the assets of the former company Prodplast, carried out during 2008, which resulted in two companies in which SIF OLTENIA SA became a shareholder: Prodplast S.A. (PPL) and Prodplast Imobiliare S.A. (PPLI)
- The placement held in PPLI was capitalized on the capital market in 2015, with a return calculated at costs of over 33%.
- The capitalization of the package of 1,693,285 PPL shares in the secondary public offer organized by the company and approved by the Financial Supervisory Authority was realized at a price higher than the average acquisition cost registered by S.I.F. Oltenia S.A. for the entire holding of 4,669,908 shares (27.354% of the share capital).
- The capitalization price of 2.52 lei/ PPL share presents a discount compared to the net unitary asset (4.44 lei) on 31.12.2019 of 43.2% while the closing prices per share from the last trading day on BVB on 31.12.2019 record a 48.4% discount at SIF 1 and of 58.46% at SIF 4 compared to the unitary net asset from the end of the year 2019.
- Also, part of the fixed assets in this placement has been reintroduced into the financial circuit. Societatea de Investitii Financiare Oltenia S.A. held and still holds a position of captive shareholder within the company, since the majority shareholder holds over 64% of the company share capital which gives it a position of absolute decision-making control in taking all the decisions of the company.
- The existence of some disputes between Societatea de Investitii Financiare Oltenia S.A. and Prodplast S.A. Bucharest demonstrates the special interest and concern of S.I.F. Oltenia S.A. for defending and protecting the interests of S.I.F. Oltenia S.A.
- The fact that the Court did not win the cause of all the actions initiated by S.I.F. Oltenia S.A. determined us to act on the possibilities to take advantage of the stake at prices higher than the average acquisition cost. Societatea de Investitii Financiare Oltenia S.A. did not pay trial expenses established by the court in its task in the amount of 31,505 lei, the parties establishing the mutual settlement of disputes and obligations generated by them amicably.
- The participation in the secondary public offer organized by S.C. Prodplast

S.A. did not have as an effect the increase of the market price after the closing of the offer, on the contrary, in the subsequent period, between 09-26th March 2020, 7,719 shares were traded on the market with an average price of 2.2973 lei/ share, contrary to those sustained by the petitioner shareholders, respectively „there is the reasonable expectation to increase the market price after the finalization of the offer”.

- The information disseminated by the two shareholders on this item are untrue, the market being deprived of the capacity to absorb such a stake due to the lack of interest of the potential investors, generated by the existence of a majority shareholder with decisive powers in making the company decisions.

In conclusion, the information transmitted on the market by the two shareholders regarding this item are untrue, with the purpose of discrediting some of the members of the Board of Administration and creating possible dissensions within the Board of Administration implementing the principle *divide et impera*.

Regarding the item 6 from the request of SIF 1 and SIF 4 to introduce new items on the agenda of OGSM of S.I.F. Oltenia from 28/29th April 2020, „respectively the partly revocation of the Decision no. 5 of the Ordinary General Meeting of Shareholders from 20.04.2013 in the sense of eliminating starting with 28.04.2020 of the benefit of legal assistance and representation from the company or paid by the company granted to the administrators and company leaders as it was provided in point 2 of the mentioned decision” I state that since its approval and until present day, there has been no person from those entitled who has benefited or asked for legal assistance.

The higher management, the administrative management, the company employees have permanently acted with prudence and diligence, with objectivity and integrity, taking business decisions based on adequate information, in the interest of the company and of all the shareholders.

During the mandate, the current Board of Administration, the higher management through the common effort of all employees of the company have fulfilled the objectives annually set by the General Meeting having as a declared goal the restructuring of the portfolio so that its management to generate profit and ensure a fair treatment to the shareholders by their remuneration with dividends and the development in good faith of the programs for shares buy-back.

S.I.F. Oltenia is an active, dynamic company on the capital market which capitalized the market opportunities, making acquisitions of hundreds of millions of Euros in liquid, stable, valued-added bringing companies, capable to repay the shareholders.

The strategy, the investment policy and the dividend policy, the behaviour towards shareholders of the Board of Administration of S.I.F. Oltenia are diametrically opposed to those practiced by SIF 1 and SIF 4.

Compared to the investment policy of the petitioner shareholders, we did not transfer financial funds in off-shore companies that could not be directly traced by investors, nor did we make millions of Euros investments in Blue Air Aviation bonds, observing the strategy approved by the shareholders to qualitatively restructure the portfolio.

Since the establishment and until present day S.I.F. Oltenia has granted dividends to shareholders every year. In the last ten years, respectively for the financial years 2009-2018, S.I.F. Oltenia allocated on average 65.6% of the profit obtained for dividends payment, respectively the amount of 702 million lei from a net profit of 1,069 million lei. The Company has successfully completed the buyback programs of its own shares, for the purpose of reducing the share capital of the company with their volume in order to increase the company performance.

For the financial year 2019, all the profit obtained is proposed to be distributed in the form of dividends and for the development of a new program of buyback of its own shares, in order to reduce the share capital with a positive effect on the company performances and the remuneration of shareholders.

We bring to the attention of shareholders that, according to the provisions of art. 142 letter e) of the Law 31/1990 the administrators are responsible for the organization of the general meeting.

Consequently, at the time of the general meeting, the Board of Administration will apply the measures provided by the incident legal provisions regarding the fight against the pandemic so as to limit to the maximum the danger that affects the health of the company shareholders and employees.

According to the FSA Regulations no. 5/2020 *„during the period of emergency established for limiting the infection with SARS-CoV-2 coronavirus among the population, the issuer ensures the proper development of the general meeting of shareholders, by taking into account the provisions stipulated in the Decree no. 195/2020 regarding the establishment of the state of emergency on the territory of Romania, the Military Ordinance no. 1/2020 regarding some first emergency measures concerning the agglomerations of persons and the cross-border circulation of some goods, with subsequent completions, the Military Ordinance no. 2/2020 regarding measures to prevent the spread of COVID-19, with subsequent modifications and completions, the Military Ordinance no. 3/2020 regarding measures to prevent the spread of COVID-19, the Military Ordinance no. 4/2020 regarding measures to prevent the spread of COVID-19 with*

subsequent modifications, the Military Ordinance no. 5/2020 regarding measures to prevent the spread of COVID-19, as well as other provisions of the state authorities imposed during this period.”

Conducting the activity of the company under restrained conditions and honouring the obligations assumed by the published convocation notice is an efficient modality to remove the danger state in which we all are, this is why we encourage shareholders to express their voting rights by electronic means, using the modalities made available by the company.

With special respect for the company shareholders,

Chairman / General Manager
Associate Prof. PhD ec. Tudor Ciurezu

Compliance Officer
Viorica Balan