

Dividend mix + buyback program

1. Dividend distribution +
2. Running a share buyback program with the purpose of reducing the share capital.

The yield in SIF2 share investment must be analyzed in the context of the information comprised in the 2016 Board of Directors' Report, in the 2014-2018 Multiannual Investment Strategy and in the 2017 Activity Program, item 7 (OGMS).

At the same time, we must also consider the impact that the approval of the Buyback program proposed to EGMS (item 2) with the mention that the evaluation of the impact on the performance of the shareholders' holdings (dividend + buyback) can be made after the completion of the buyback program (public buyback offer).

Distribution of 2016 net profit has the characteristics presented in the table below:

2016 Net profit	123.298.020
Total Dividend + buyback	70,000,000
Dividend	45,000,000
Gross dividend	0.044
Net dividend	0,042
Payout dividend	36%
Dy brut%	5.18%
Dy net%	4,92%
Value + buyback program	25,000,000

Profit assignment over the last 4 years:

	2013	2014	2015	2016
Net profit (mil.lei)	91	230	100	123
Gross dividend/share (lei)	0.066	0.1012	0.045	0.044
Dividend fund (mil.lei)	34.2	52.5	46	45
Dividend fund/Net profit (%)	38	22	46	36
VUAN (lei)	2.46	2.60	1.45	1.60

Yield from VUAN increase and dividends has been of 44,8% over the last 4 years.

Mix a) dividends +b) buyback

In 2016 net profit has been of 123.298.020 lei.

Since 70.000.000 lei in total are distributed for dividend +buyback of which 45.000.000 lei for dividend and 25.000.000 lei for buyback, we have a total payout of 56,8%.

There results:

- gross dividend=0,044 lei; gross Dy =5,18% and
- net Dividend=0,042 lei; net Dy =4,92%
- dividend payout =36%

SIF2 price =0,849 lei (20.02.2017)

25 mil.lei are assigned for a share buyback program with the purpose of reducing the share capital, which can be achieved through transactions and/or public buyback program, after FSA approval.

Advantages for SIF Moldova

We target VUAN increase, EPS increase, discount decrease, since there are the premises of the company's capitalization and visibility increase on the market.