

Fondul Proprietatea – 2020 Annual results conference call

23 February 2021



Fund Information

Open	838.63
Low	856.45
Close	836.23
on Close (50)	845.12
on Close (100)	NA
on Close (200)	NA



The Fund – Key Facts



Fund Details¹

	RON	USD
NAV	10.35 bn	2.57 bn²
NAV/Share	1.7216	0.4282²
Price/Share	1.5100	0.3755²
Price/GDR	74.39²	18.50
Market Capitalization as at 22 February 2021	9.56 bn	2.38 bn³
Discount/Share as at 22 February 2021	6.03%	
Discount/GDR as at 22 February 2021	7.66%	
Number of Paid Shares less Treasury Shares ⁴	5,992,867,830	

Investment Objective

2020 FY Dividend Proposal /Share⁵ **RON 0.0720**

Dividend Yield for 2020 FY⁵ **4.51%**

Maximization of returns to shareholders and increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities

Source: BVB, FP January 2021 Factsheet.

1. As at 29 January 2021. Based on local regulator methodology.

2. Computed using the NBR USD/RON FX rate as at 29 January 2021.

3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 19 February 2021. Computed using the NBR USD/RON FX rate as at 22 February 2021.

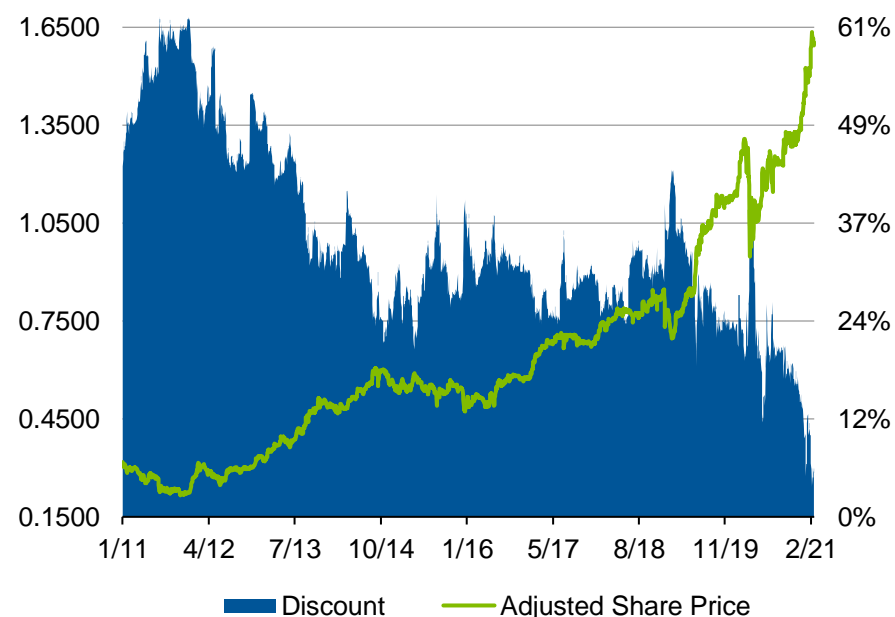
4. As at 22 February 2021.

5. Cash distribution proposal submitted for shareholders' approval during the Annual GSM on 28 April 2021. Yield calculated based on the FP share price as at 22 February 2021.

6. Source: Bloomberg and BVB until 22 February 2021, Investment Manager calculations.



FP Adjusted Share Price⁶ and Discount (%)



Unlisted holdings updated valuations as at 31 December 2020

Company	Value as at 30 September 2020 (mn RON)	Value as at 31 December 2020 (mn RON)	Impact of the independent valuation update on NAV (mn RON)	% Change
Hidroelectrica	4,707.50	5,128.90	421.40	4.22%
Bucharest Airports	735.80	624.10	(111.70)	(1.12)%
Engie Romania	426.30	538.80	112.50	1.13%
E-Distributie Banat	252.60	272.70	20.10	(0.20)%
Constanta Ports	233.40	235.80	2.40	0.02%
E-Distributie Muntenia	212.70	227.80	15.10	0.15%
Salrom	222.10	201.20	(20.90)	(0.21)%
E-Distributie Dobrogea	164.70	177.20	12.50	0.13%
Enel Energie	25.80	52.50	26.70	0.27%
Enel Energie Muntenia	41.20	43.10	1.90	0.02%
Zirom	31.70	24.88	(6.82)	(0.07)%
Administratia Canalelor Navigabile	14.90	17.75	2.85	0.03%
Posta Romana	10.70	13.10	2.40	0.02%
A.I. Timisoara - Traian Vuia SA	11.40	6.40	(5.00)	(0.05)%
Administratia Porturilor Dunarii Maritime	4.24	5.19	0.95	0.01%
A.I. Mihail Kogalniceanu - Constanta	1.39	2.57	1.18	0.01%
Administratia Porturilor Dunarii Fluviale	1.68	2.33	0.66	0.01%
Plafar	1.67	1.93	0.25	0.00%
Complexul Energetic Oltenia	0.00	0.00	0.00	0.00%
TOTAL	7,099.79	7,576.26	476.46	4.77%

Source: 31 December 2020 NAV report.

NAV, Share price and GDR Performance



Cumulative Performance

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD ¹	Since Performance Inception ¹
NAV (RON)	(0.47)%	8.91%	13.29%	1.39%	(0.60)%	7.33%	13.10%	19.94%	31.23%	2.21%	1.43%	145.1%
Ordinary Share Price (RON)	(30.32)%	38.30%	61.34%	14.53%	(4.06)%	4.90%	21.46%	9.90%	49.05%	37.83%	4.14%	369.5%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.15%	35.88%	(1.94)%	41.41%	48.47%	8.19%	147.4%



Discount Evolution

Average 2011	Average 2012	Average 2013	Average 2014	Average 2015	Average 2016	Average 2017	Average 2018	Average 2019	Average 2020	YTD ²	Current Share Price Discount ³	Current GDR Price Discount ³
55.67%	50.09%	40.74%	30.87%	29.12%	32.08%	28.05%	29.54%	29.38%	21.06%	8.31%	6.03%	7.66%

Source: BVB, LSE, Bloomberg, FP NAV reports.

Note: The discount is calculated based on the latest published NAV available for the day of the calculation.

The Performance Inception date for the NAV is 31 December 2010, for the Share Price is 25 January 2011, and for the GDRs is 29 April 2015.

1. As at 29 January 2021.

2. For the period 4 January – 22 February 2021.

3. As at 22 February 2021.

Attribution to NAV performance for Q4 2020



Top Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance	Change in NAV per share (RON)
Hidroelectrica	Unlisted	50.0%	4.25%	0.0675
OMV Petrom	Listed	14.0%	1.14%	0.0181
Engie Romania	Unlisted	5.2%	1.14%	0.0180
ENEL Energie	Unlisted	0.5%	0.27%	0.0043
Romaero	Listed	0.5%	0.23%	0.0037



Bottom Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance	Change in NAV per share (RON)
Bucharest Airports	Unlisted	6.1%	(1.13)%	(0.0179)
Salrom	Unlisted	2.0%	(0.21)%	(0.0033)
Zirom	Unlisted	0.2%	(0.07)%	(0.0011)
A.I. Timisoara - Traian Vuia	Unlisted	0.1%	(0.05)%	(0.0008)
IOR	Listed	0.0%	0.00%	(0.0000)

TOTAL NAV PER SHARE CHANGE

0.1093

Note: The amounts are adjusted with the dividends declared by the companies, according with FP accounting policy.
1. 31 December 2020 NAV report.

Attribution to NAV performance for the period 1 January – 31 December 2020



Top Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance	Change in NAV per share (RON)
Hidroelectrica	Unlisted	50.0%	5.41%	0.0938
Nuclearelectrica ²	Listed	0.0%	0.75%	0.0131
Engie Romania	Unlisted	5.2%	0.32%	0.0056
ENEL Energie	Unlisted	0.5%	0.22%	0.0038
Romaero	Listed	0.5%	0.22%	0.0038



Bottom Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance	Change in NAV per share (RON)
OMV Petrom	Listed	14.0%	(3.06)%	(0.0530)
Bucharest Airports	Unlisted	6.1%	(3.05)%	(0.0529)
Salrom	Unlisted	2.0%	(0.46)%	(0.0079)
E-Distributie Banat	Unlisted	2.7%	(0.28)%	(0.0048)
E-Distributie Dobrogea	Unlisted	1.7%	(0.20)%	(0.0034)

TOTAL NAV PER SHARE CHANGE

(0.0365)

Note: The amounts are adjusted with the dividends declared by the companies, according with FP accounting policy.

1. 31 December 2020 NAV report.

2. Nuclearelectrica was entirely sold at the end of December 2020.

Portfolio

Open	838.63
Low	856.45
Close	836.23
on Close (50)	845.12
on Close (100)	NA
on Close (200)	NA

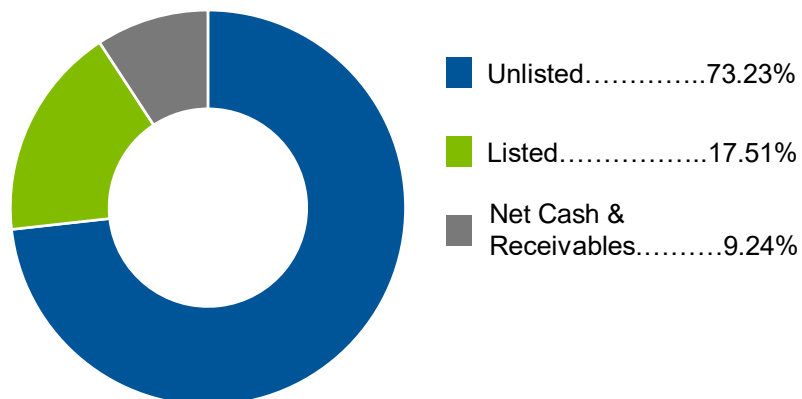


Portfolio Structure



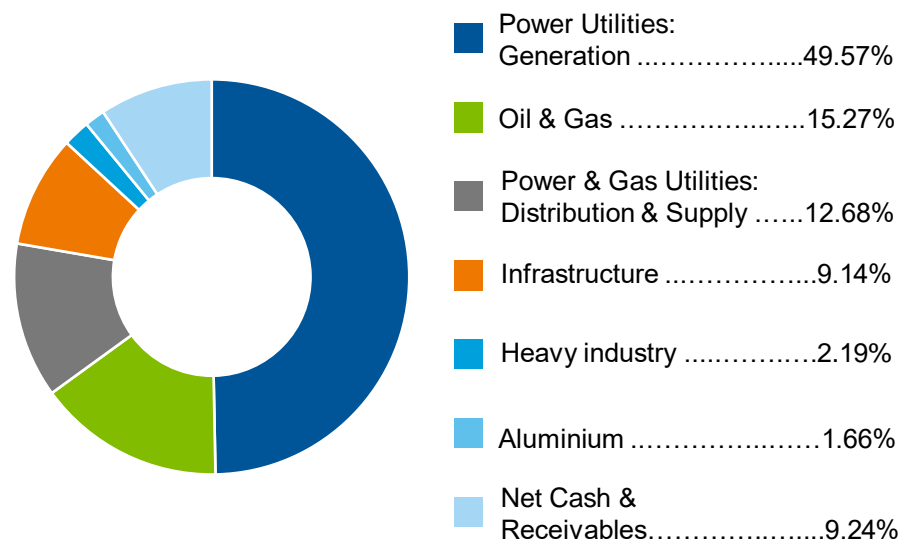
Listed vs Unlisted

(% of NAV as at 29 January 2021)¹



By Sector

(% of NAV as at 29 January 2021)¹



- As at 29 January 2021, the portfolio included stakes in 32 companies (6 listed and 26 unlisted)
- The net cash and receivables as at 29 January 2021 was USD 238.2 million².

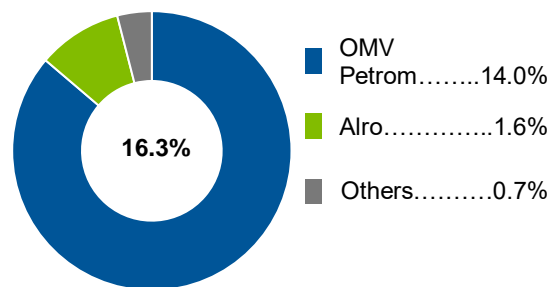
1. Source: FP January 2021 Factsheet.

2. Source: 29 January 2021 NAV report, based on the NBR RON/USD FX rate as at 29 January 2021.

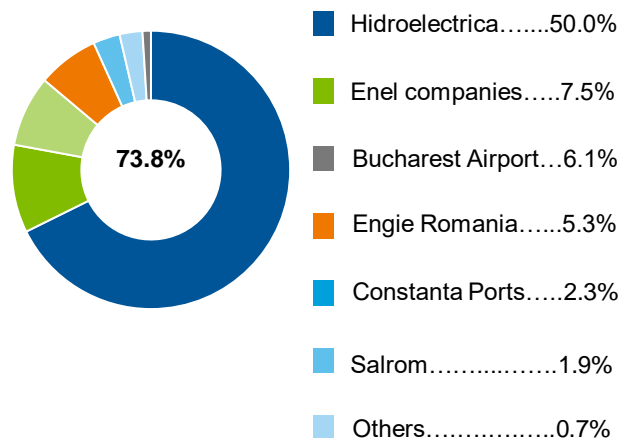
Portfolio Structure – 31 December 2020 NAV



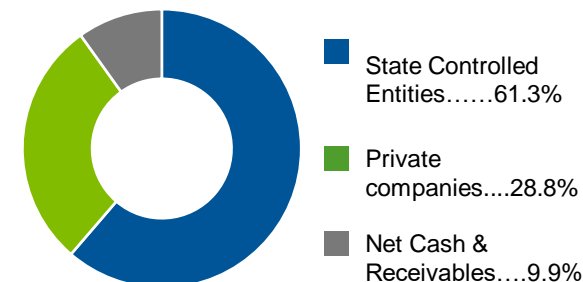
Listed Companies



Unlisted Companies



By Controlling Ownership



- As at 31 December 2020, the portfolio included stakes in 32 companies (6 listed and 26 unlisted)
- The net cash and receivables as at 31 December 2020 was USD 257.2 million².

1. Source: FP 2020 Results report.

2. Source: 31 December 2020 NAV report, based on the NBR RON/USD FX rate as at 31 December 2020.

Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake ¹	NAV as at 29 January 2021 (USD mn)	% in NAV as at 29 January 2021
Hidroelectrica	Unlisted	Romanian State	19.9%	1,275.6	49.6%
OMV Petrom	Listed	OMV	7.0%	392.8	15.3%
Bucharest Airports	Unlisted	Romanian State	20.0%	155.2	6.0%
Engie Romania	Unlisted	Engie	12.0%	134.0	5.2%
E-Distributie Banat	Unlisted	Enel Group	24.1%	67.8	2.6%
Constanta Ports	Unlisted	Romanian State	20.0%	58.6	2.3%
E-Distributie Muntenia	Unlisted	Enel Group	12.0%	56.7	2.2%
Salrom	Unlisted	Romanian State	49.0%	50.0	1.9%
E-Distributie Dobrogea	Unlisted	Enel Group	24.1%	44.1	1.7%
Alro	Listed	Vimetco N.V.	10.2%	42.6	1.7%
Top 10 Portfolio Holdings				2,277.4	88.5%
NAV				2,573.1	100.0%
NAV Per Share (USD)				0.4282	

Source: FP January 2021 Factsheet. Note: Values in USD calculated using the NBR USD/RON FX rate as at 29 January 2021.

1. Based on the FP 31 December 2020 Detailed Statement of Investments.

Top Portfolio Holdings – 2020 Preliminary results

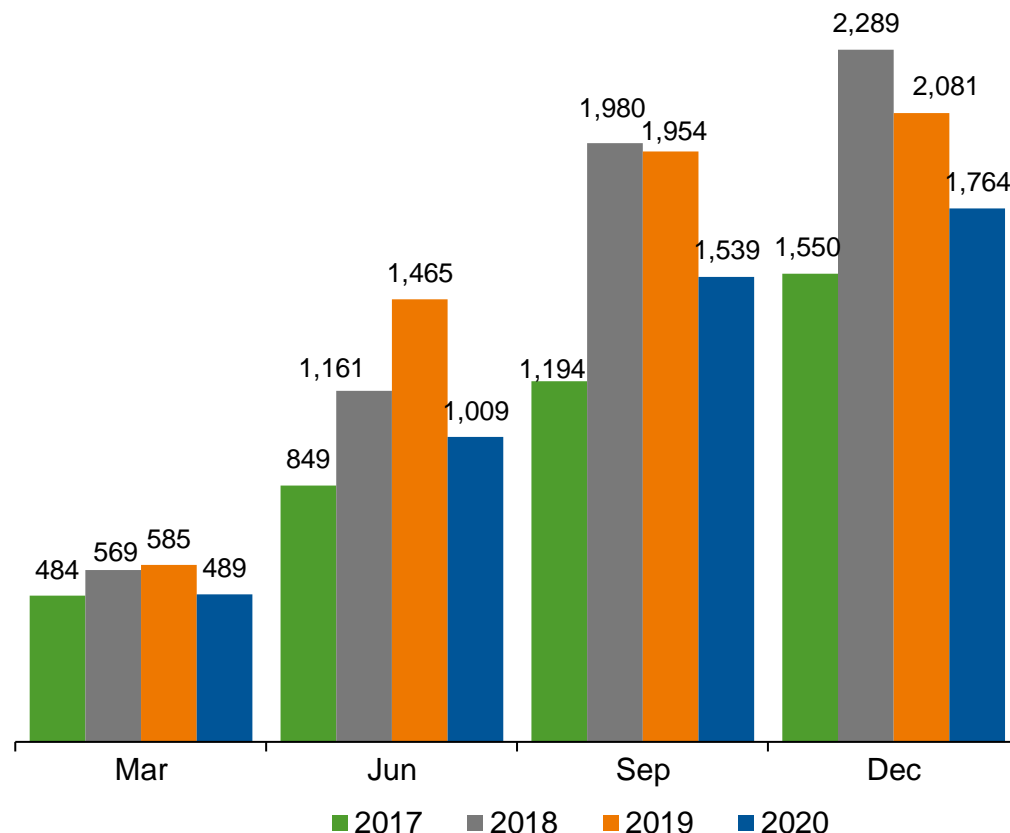
Company	EBITDA (RON mn)			Net profit (RON mn)		
	2019	2020	%y.o.y	2019	2020	%y.o.y
Hydroelectrica	2,934.0	2,698.0	(8.0)%	1,386.5	1,453.0	4.8%
OMV Petrom	7,751.8	4,463.2	(42.4)%	3,634.7	1,291.0	(64.5)%
Bucharest Airports	542.2	(9.0)	(101.7)%	359.6	(120.3)	(133.5)%
Constanta Port	150.0	181.1	20.7%	108.2	146.4	35.3%
Total	11,378.0	7,333.3	(35.5)%	5,489.0	2,770.1	(49.5)%
Weighted Total	1,266.1	884.8	(30.1)%	624.5	385.3	(38.3)%

Source: OMV Petrom 2020 preliminary IFRS statements, Hydroelectrica, Bucharest Airports and Constanta Port 2020 preliminary figures presented by the management.
Note: EBITDA is calculated as Operational result + Depreciation and Amortization.

2020 preliminary results:

- According to Hidroelectrica’s management, in 2020, the company’s performance was as follows:
 - **Turnover** of RON 3,788 mn, down 8.7% y.o.y,
 - **EBITDA** of RON 2,698 mn, down 8.0% y.o.y ,
 - **Operating profit** of RON 1,686 mn, down 14.6% y.o.y,
 - **Net profit** of RON 1,453 mn, up 4.8% y.o.y.
- **Electricity sold** in 2020 was 15.96 TWh, almost flat compared to 2019, out of which electricity sold out of its own production reached 14.58 TWh compared to 14.78 TWh in 2019. Over the period, the **average realized selling price** was down 6.6% y.o.y. to RON 214.1 per MWh.
- During the year, Hidroelectrica sold on the **regulated market** 3.15 TWh of electricity, compared to 1.64 TWh sold in the previous year, at an **average price** of RON 109.45 per MWh, down 3.0% y.o.y.
- On the **competitive market**, the **average realized price in 2020** was RON 238.63/ MWh, down 1.6% y.o.y.
- The company’s **net cash position** was RON 2.08 bn as at 31 December 2020.

Pre-tax Cumulated Profit (RON mn)



Source: Hidroelectrica 2016 – 2019 Annual reports and financial statements, press articles, company presentations, preliminary figures presented by the management for 2020.

- In **2020**:
 - **Sales to external costumers** decreased by 23% compared to the previous year, due to low oil prices environment, but supported by higher volumes of natural gas
 - **Operating result** was 65% lower y.o.y. due to the large drop in upstream income as a result of low oil and gas prices environment and lower hydrocarbon sales
- **2021 outlook**:
 - **Average Brent oil** price of USD 50-55/bbl (from USD 41.84/bbl in 2020)
 - **Refining margins** higher than USD 4/bbl (from USD 2.9/bbl in 2020)
 - **Production** expected to decline around 5% y.o.y. from 145 kboe/d in 2020
 - **CAPEX** expected to be around RON 2.9 bn, from RON 3.0 bn in 2020
 - **RON 0.031 per share**, management’s dividend proposal for the 2020 FY, flat compared to 2020
- **2021** sensitivities, according to the management:
 - An increase of 1 USD/bbl in Brent price is impacting the company by **EUR 20 million**
 - An increase of 1 USD/bbl in refining margin is impacting the company by **EUR 25 million**
 - A 5 cents appreciation of EUR/USD exchange rate is impacting the company by **EUR 35 million**
 - An increase of 1 EUR/MWh in gas price is impacting the company by **EUR 20 million**

Financial and Operational highlights	2019	2020	%YoY
Sales to external costumers (mn RON)	25,485	19,717	(22.6)%
• Downstream Oil	18,237	13,565	(25.6)%
• Downstream Gas	6,737	5,812	13.7%
Clean CCS Operating Result	4,573	2,287	(50.0)%
Operating Result (mn RON)	4,245	1,467	(65.4)%
• Upstream	2,589	(985)	(138.0)%
• Downstream	1,913	2,317	21.1%
• Corporate and consolidation	(258)	135	152.3%
Clean CCS net income	3,863	1,931	(50.0)%
Net income (mn RON)	3,635	1,291	(64.5)%
Hydrocarbon production (mn boe)	55.35	52.98	(4.3)%
Average Group realized crude price (\$/bbl)	56.09	34.51	(38.5)%
OPEX (\$/boe)	10.90	10.88	(0.2)%
Refining margin (USD/bbl)	4.67	2.89	(38.1)%
Refinery utilisation (%)	97	92	(5.2)%
Refined product sales (mn tons)	5.46	4.99	(8.6)%
Gas sales volume (TWh)	54.84	57.03	4.0%
Net electrical output (TWh)	3.40	4.17	22.6%

Source: OMV Petrom quarterly historical IFRS figures available on OMV Petrom website, OMV Petrom 2020 results presentation.

Bucharest Airports – Update

Financials ¹	2016	2017	2018	2019	Prelim. 2020	%y.o.y.
Operating revenues (mn RON)	754.7	890.9	992.6	1,066.6	409.8	(61.6)%
Operating result (mn RON)	263.6	337.6	445.9	399.0	(128.1)	-
Net Income / Loss (mn RON)	224.7	290.7	371.8	359.6	(120.3)	-
Number of passengers (mn)	10.99	12.84	13.84	14.73	4.47	(69.7)%

Monthly passenger traffic												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	997,779	937,570	1,061,229	1,192,000	1,301,949	1,373,571	1,469,627	1,504,038	1,384,166	1,269,928	1,123,353	1,114,684
2020	1,072,488	969,322	440,468	19,258	26,040	75,639	341,826	427,168	401,030	296,800	174,814	223,935
%y.o.y.	7.50%	3.40%	(58.5)%	(98.4)%	(98.0)%	(94.5)%	(76.7)%	(71.6)%	(71.0)%	(76.6)%	(84.4)%	(79.9)%

2020 preliminary figures

- Preliminary 2020 results point to a net loss of RON 120 mn. Traffic was down by 70% last year to 4.5 mn passengers, and the number of aircraft movements also halved compared to 2019.
- According to the revised budget approved in September 2020, the management is expecting the recovery to start in 2021, with an increase in passenger traffic to 7.6 mn and a gross profit of RON 15.6 mn, followed by a stronger improvement in 2022: 11.2 mn passengers and RON 207 mn gross profit.

COVID-19 considerations

- The company has been heavily impacted by the current environment: the number of passengers and flights have seen a significant decline since the beginning of the COVID-19 pandemic.
- ACI Europe, the airport industry trade body, published a report for Q3 2020 and the key takeaways are² :
 - passenger traffic in Europe decreased by 73.2% during the first 9 months of 2020 and almost coming to a complete standstill in the second quarter with a drop of 96.4% compared to the same period in 2019
 - following the second wave of restrictions, European daily traffic was down by more than 80% y.o.y starting from November

1. Source: CN Aeroporturi Bucuresti IFRS financial statements and preliminary figures presented by the management for 2020, 2020 revised budget.

2. Source: ACI Europe website.

Constanta Ports – Update

Financial performance	2012	2013	2014	2015	2016	2017	2018	2019	Prelim. 2020	% y.o.y.
Operating revenues (RON mn)	269.6	285.9	294.3	309.2	314.0	330.5	345.2	369.0	385.6	4.5%
Operating profit (RON mn)	46.3	76.6	83.8	114.0	54.8	93.8	95.8	117.0	160.9	37.5%
Net Income (RON mn)	35.6	65.0	70.3	97.4	36.8	79.7	75.7	108.2	146.4	35.3%
Total traffic (thousands tons)	50.6	55.1	55.6	56.3	59.4	58.4	61.3	66.6	60.4	(9.3)%

2020 preliminary financials

- According to the preliminary 2020 results, operating revenues were up y.o.y. by 4.5% to RON 385.6 mn, although traffic declined by 9.3% y.o.y. to 60.4 mn tones, the reduction in traffic being driven mainly by crude oil and petroleum products, which registered a decline of 18.5% y.o.y. to 11.7 mn tones.
- Preliminary net profit for the year stands at RON 146.4 mn, up 35.3% y.o.y.
- The boost in profitability was supported by significantly lower provisions however, the final level of provisions will be established only by the audited financial statements.

COVID-19 considerations

- In the context of COVID-19 pandemic, the company has implemented a number of measures aimed at protecting the company's personnel, ensuring the safety and continuity of operations and safeguarding the financial position of the company.

Source: Constanta Port financial statements, annual reports, and H1 2020 unaudited financial statements.

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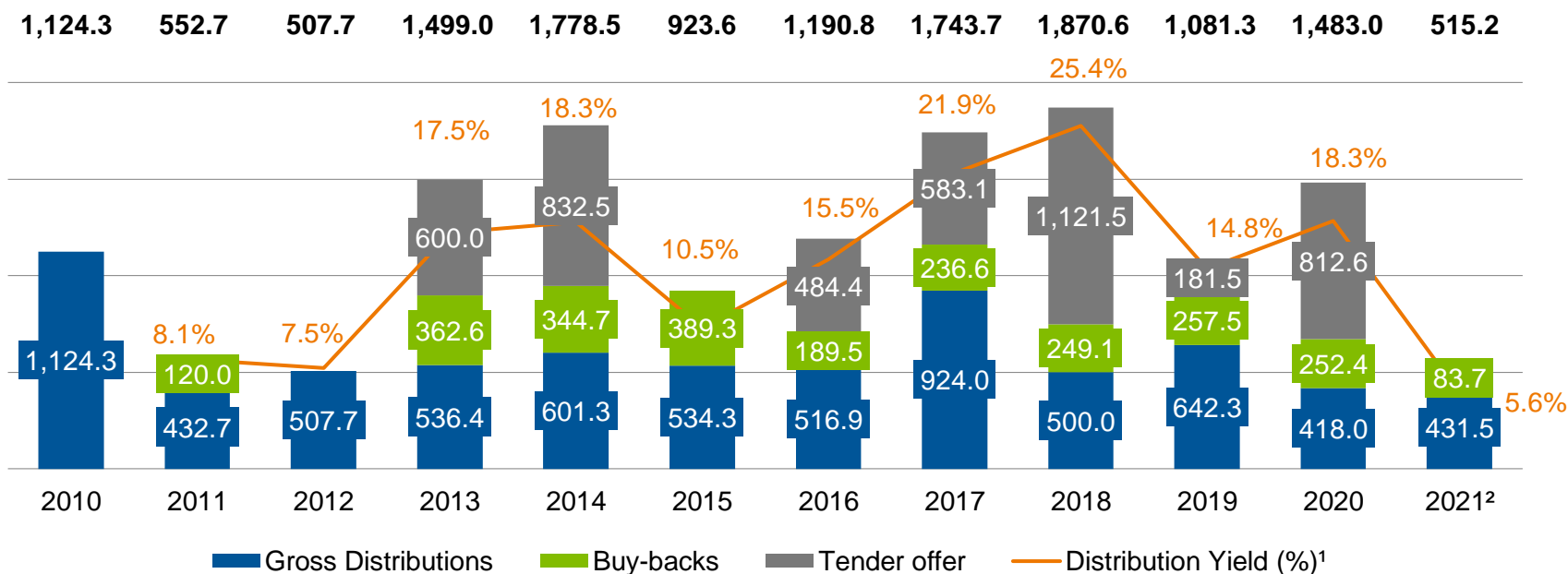
Corporate Actions



Distributions to shareholders



Annual Distributions to Shareholders (RON mn)



The total distributions through buy-backs and cash would amount to RON 14.3 bn/USD 3.8 bn³

Source: Investment Manager calculations, Investment Manager annual results reports, Investment Manager current reports.

Note: Values exclude related acquisition fees. USD values based on the NBR average USD/RON FX for each year. For 2021, average USD/RON FX as at 22 February.

1. Based on the total annual distributions through buy-backs and cash, the average closing share price on BVB for the respective year, and the average number of paid shares excluding Treasury shares at year-end. For 2021, average closing share price as at 22 February and average number of paid shares excluding Treasury shares as at 19 February.

2. Based on buy-backs as at 19 February, Investment Manager cash distribution proposal for FY 2020 of RON 0.072/share submitted for shareholders' approval during the Annual

GSM on 28 April 2021, and number of paid shares excluding Treasury shares as at 19 February.

3. As at 22 February 2021.

Buy – back programs

Program	Period	Status	No. of shares (to be) repurchased/ % of the Fund's issued share capital	Average share price (RON/share)	Broker	Cancellation of shares ¹
Eleventh	1 Jan – 31 Dec 2020	Finalized	797.96 mn/10.48%	1.3347 ²	Auerbach Grayson, Swiss Capital	Cancellation of shares submitted for shareholders' approval in the 28 April 2021 Annual GSM
Twelfth	1 Jan – 31 Dec 2021	Ongoing	800.00 mn/10.51%	1.5081 ³	Auerbach Grayson, Swiss Capital	The cancellation of shares will be subject to shareholders' approval in 2022

Source: Investment Manager current reports, Investment Manager calculations.

1. To be effective, the FSA endorsement is legally required, and the shareholders' resolution for the share capital decrease needs to be registered with the Trade Register.

2. Based on the 797,961,287 shares repurchased (555,481,637 ordinary shares and 242,479,650 equivalent shares of the GDRs repurchased).

3. As at 19 February 2021. Based on the 55,516,787 shares repurchased (39,100,937 ordinary shares and 16,415,850 equivalent shares of the GDRs repurchased).

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- The Fund incurred an accounting loss of RON 102.98 mn for the 2020 FY. The accounting loss will be covered from 2016 unallocated profit, subject to shareholders' approval.
- Although there is no distributable profit as per the statutory annual financial statements for the year ended 31 December 2020, the Investment Manager remains committed to ensure an annual cash distribution to the Fund's shareholders.
- Taken into consideration:
 - the distributable amounts and the need to maintain additional reserves to cover the losses from the future buy-backs cancellation,
 - the other ongoing Discount Control Mechanism measures (e.g. buy-backs),
 - the estimated available cash,

the Investment Manager's proposal is a gross special dividend distribution of **RON 0.0720** per share, in line also with the Annual Cash Distribution Policy.

- Main dates related to the proposed gross cash distribution:
 - 27 May 2021 as the Ex – Date;
 - 28 May 2021 as the Registration Date;
 - 22 June 2021 as the Payment Date.

Total dividend income from portfolio companies

	FP Net Dividend (RON mn)							
	2013	2014	2015	2016	2017	2018	2019	2020
Total Dividends from Listed Companies (RON mn)	373.9	538.6	251.5	36.0	148.1	199.6	223.0	200.2
Total Dividends from Unlisted Companies (RON mn)	275.8 ²	143.5	315.9	315.2	404.5	366.9	710.0	1,007.9
Total Annual Dividend Income (RON mn)	649.7	682.1	567.4	351.2	552.6	566.5	673.7	525.0
Total Special Dividend Income (RON mn)	-	-	-	-	185.2	199.5	259.3	683.1
Total Dividends (RON mn)	649.7	682.1	567.4	351.2	737.8	766.0	933.0	1,208.1
Total Annual Dividend Income per Share (RON) ¹	0.04954	0.05674	0.05310	0.0331	0.0750	0.0797	0.1035	0.0875
Total Special Dividend Income per Share (RON) ¹	-	-	-	-	0.0251	0.0281	0.0398	0.1139
Dividend/Distribution per Share (RON)	0.05000	0.05000	0.05000	0.05000	0.0678	0.0903	0.0642	0.0720¹⁰
Share Price (RON)	0.7640 ³	0.8130 ⁴	0.7200 ⁵	0.9180 ⁶	0.8990 ⁷	1.0150 ⁸	1.1850 ⁹	1.5950 ¹¹
Yield	6.54%	5.84%	6.94%	8.76%	7.54%	8.90%	5.42%	4.51% ¹¹
Yield for Romanian companies (BET)	5.10%	3.50%	4.56%	7.07%	8.59%	9.17%	7.34%	

Source: Investment Manager calculations.

1. Calculation based on the number of paid shares at the Registration date for each year excluding treasury shares at the same date. For 2020, the calculation is based on the number of paid shares excluding treasury shares acquired as at 19 February 2021. Note: The Investment Manager's dividend proposals are calculated based on the Fund's Annual Cash Distribution Policy.

2. Includes dividends from Romgaz and Nuclearelectrica, which were unlisted at that time.

3. As at 30 April 2014.

4. As at 29 May 2015.

5. As at 9 June 2016.

6. As at 6 June 2017.

7. As at 11 June 2018.

8. As at 10 June 2019.

9. As at 10 June 2020.

10. Investment Manager cash distribution proposal for FY 2020 submitted for shareholders' approval during the Annual GSM on 28 April 2021.

11. As at 22 February 2021.

- The appointment of a member of the Board of Nominees following the expiration of the mandate of Mr. Julian Healy on 5 April 2021. The mandate of the new member is valid for a period of three years.
- The appointment of a member of the Board of Nominees following the expiration of the mandate of Mr. Piotr Rymaszewski on 5 April 2021. The mandate of the new member is valid for a period of three years.
- The list of candidates as at 22 February, the deadline for submitting the proposals:
 - Mr. Omer Tetik for the vacant seat following the expiration of the mandate of Mr. Piotr Rymaszewski;
 - Mr. Nick Paris and Mr. Florian Munteanu for the vacant seat following the expiration of the mandate of Mr. Julian Healy;
- Given the current pandemic context, in order to respect shareholders' right to information, the Fund Manager will organize a videoconference presenting the latest updates on the Fund (both in Romanian and in English) and will answer any questions that may be raised. Candidates for the position of member of the Board of Nominees will also participate in the videoconference and will answer questions from shareholders. Further details on the videoconference will be disseminated to the market through a current report.

28 April 2021 Annual GSM agenda – Main points (I)



EGM agenda:

- The approval of several amendments to the Constitutive Act of Fondul Proprietatea.
- The approval of the decrease of the subscribed share capital of Fondul Proprietatea from RON 3,749,282,292.08 to RON 3,334,342,422.84 pursuant to the cancellation of 797,961,287 own shares acquired by Fondul Proprietatea during 2020.

28 April 2021 Annual GSM agenda – Main points (II)



OGM agenda:

- The presentation by:
 - The Alternative Investment Fund Manager of the Performance Report for the period 1 January – 31 December 2020, and
 - The Board of Nominees of its annual report for the 2020 FY, including its Review Report in relation to the Performance Report, andthe approval of the continuation of the current mandate of Franklin Templeton International Services S.à r.l. as the alternative investment fund manager and sole director of Fondul Proprietatea.
- If shareholders do not approve the continuation of the current mandate of Franklin Templeton International Services S.à r.l. as the alternative investment fund manager and sole director of Fondul Proprietatea, the approval of:
 - the simultaneous termination of the mandate of Franklin Templeton International Services S.À R.L. as the alternative investment fund manager and sole director of Fondul Proprietatea, and of the Management Agreement, beginning with the earliest of (i) the appointment of a new alternative investment fund manager and sole director of Fondul Proprietatea in accordance with the terms of the Management Agreement and (ii) 1 November 2021, and
 - the procedure to be observed for the selection of a new alternative investment fund manager and sole director of Fondul Proprietatea, as described in the supporting materials. (secret vote)

- The approval of the Annual Activity Report of the Sole Director of Fondul Proprietatea for the 2020 FY.
- The approval to cover the negative reserves incurred in the 2020 FY from the 10th buy-back programme, in accordance with the supporting materials.
- The approval to cover the accounting loss incurred in the 2020 FY, in accordance with the supporting materials.
- The approval to set up a reserve to cover the negative reserves estimated to arise from cancellation of shares acquired during 2020 from the 11th buy-back programme, in accordance with the supporting materials.
- The approval of a gross special dividend of RON 0.072 per share, in accordance with the supporting documentation, subject to the approval of the coverage of the negative reserves, and coverage of accounting loss.

28 April 2021 Annual GSM agenda – Main points (III)



OGM agenda:

- The appointment of Ernst & Young Assurance Services SRL as the financial auditor of Fondul Proprietatea S.A., setting the duration of the financial audit agreement for the period starting with 1 July 2022 to 31 August 2025; and setting the scope of work of the financial audit agreement: audit of the financial statements of Fondul Proprietatea for 2022, 2023 and 2024 financial years, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, and setting the level of its remuneration for the financial audit services described above at a maximum level (without VAT) of EUR 90,000/year.
- The approval of the Remuneration Policy of Fondul Proprietatea, as described in the supporting documentation.
- The approval of:
 - 27 May 2021 as the Ex – Date;
 - 28 May 2021 as the Registration Date;
 - 22 June 2021 as the Payment Date.

Financial results



Statement of Financial Position

RON mn	31 December 2019 Audited	31 December 2020 Audited
Cash and current accounts	31.9	34.4
Deposits with banks	338.4	660.0
Government bonds	137.3	380.3
Equity investments	11,413.1	9,246.7
Other assets	0.3	0.6
Total assets	11,921.0	10,322.0
Payables	16.7	19.8
Other liabilities	32.8	35.3
Total liabilities	49.5	55.1
Total equity	11,871.5	10,266.9
Total liabilities and equity	11,921.0	10,322.0

Statement of Comprehensive Income

RON mn	2019 Audited	2020 Audited
Gross dividend income	942.9	1,218.7
Net unrealised gain/ (loss) from equity investments at fair value through profit or loss	2,260.3	(1,103.2)
Net realised gain/ (loss) from disposal of equity investments at fair value through profit or loss	9.9	(142.6)
Interest income	9.9	14.0
(Impairment losses)/ Reversal of impairment losses on receivables, net	(10.3)	(0.2)
Other income/ (expenses), net ¹	3.4	3.2
Net operating (loss)/ income	3,216.1	(10.1)
Administration fees recognised in profit or loss	(50.3)	(55.2)
Other operating expenses	(25.6)	(27.1)
Operating expenses	(75.9)	(82.3)
Finance costs	(0.4)	(0.1)
(Loss)/ Profit before income tax	3,139.8	(92.5)
Income tax expense	(9.9)	(10.5)
(Loss)/ Profit for the year	3,129.9	(103.0)
Total comprehensive income for the year	3,129.9	(103.0)

Source: FP Annual Sole Director's Report 2020.

1. Other items of income/ (expense), net included mainly the net gain/ (loss) from revaluation of government securities through profit or loss, net foreign exchange gain/ (loss) and other operating income/ (expenses).

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The price of shares and income from them can go down as well as up and you may lose some or all of your capital invested. The previous results of a fund or company do not account for future performances. Currency fluctuations will affect the value of foreign investments. All investments are subject to certain risks. Generally, investments offering the potential for higher returns are accompanied by a higher degree of risk. Stocks and other equities representing an ownership interest in a corporation have historically outperformed other asset classes over the long term but tend to fluctuate more dramatically over the shorter term. Small or relatively new companies can be particularly sensitive to changing economic conditions due to factors such as relatively small revenues, limited product lines, and small market share. Smaller company stocks have historically exhibited greater price volatility than larger company stocks, particularly over the short term. The significant growth potential offered by Emerging Markets remains accompanied by heightened risks when compared to developed markets, including risks related to market and currency volatility, adverse social and political developments, and the relatively small size and lesser liquidity of these markets.

The Fund's headquarters are located at 78-80 Buzesti Street, 7th Floor, Bucharest, 1st District, 011017, Romania. Fund's Fiscal Identification Code is 18253260 and Trade Registry registration number is J40/21901/2005. The subscribed share capital is RON 3,749,282,292.08 RON and paid-up share capital is RON 3,560,099,870.08.

Starting with 1 April 2016, in view of complying with the AIFMD, implemented in the Romanian legislation through Law no. 74/2015 on managers of alternative investment funds and Regulation no. 10/2015 on alternative investment fund management, Fondul Proprietatea SA, qualifying as an alternative investment fund, is managed by Franklin Templeton Investment Services S.À R.L. ("FTIS"), a société à responsabilité limitée qualifying as an alternative investment fund manager under Article 5 of the Luxembourg Law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8A rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016.

This presentation herein is issued by FTIS , acting through its Romanian branch having its registered office at 78-80 Buzesti Str., 8th floor, 1st. District, 011017, Bucharest, Romania.

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