

# Fondul Proprietatea – Q1 2020 Results Conference Call

15 May 2020



# 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 Details<sup>1</sup>

	RON	USD
NAV	<b>9.52 bn</b>	<b>2.14 bn<sup>2</sup></b>
NAV/Share	<b>1.4561</b>	<b>0.3269<sup>2</sup></b>
Price/Share	<b>1.1150</b>	<b>0.2503<sup>2</sup></b>
Price/GDR	<b>57.90</b>	<b>13.00</b>
Market Capitalization as at 14 May 2020 <sup>3</sup>	<b>7.58 bn</b>	<b>1.69 bn<sup>3</sup></b>
Discount/Share as at 14 May 2020	<b>20.08%</b>	
Discount/GDR as at 14 May 2020	<b>21.40%</b>	
Number of Paid Shares less Treasury Shares <sup>4</sup>	<b>6,530,767,371</b>	

## Investment Objective

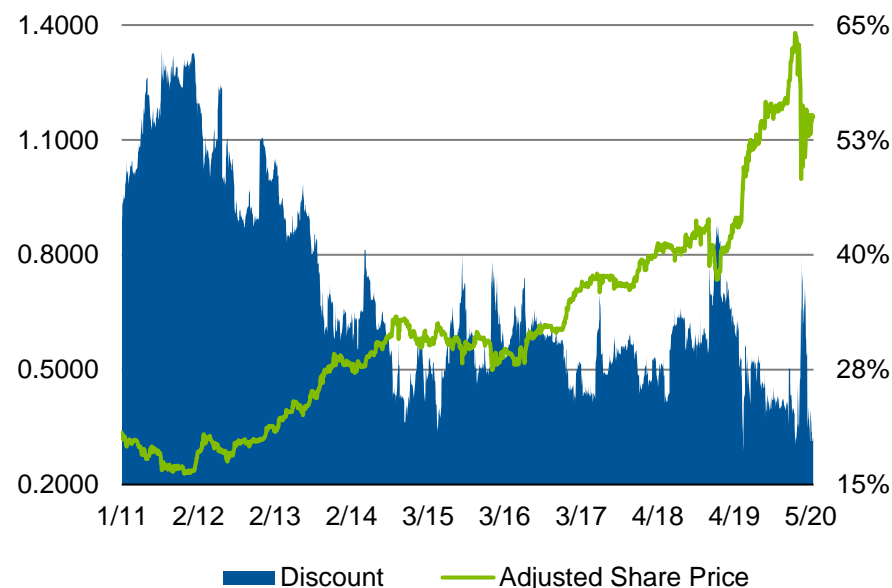
2019 FY Dividend /Share<sup>5</sup> **RON 0.0642**

Dividend Yield for 2019 FY<sup>5</sup> **5.53%**

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



## FP Share Price<sup>6</sup> and Discount (%)



Source: BVB, FP April 2020 Factsheet.

1. As at 30 April 2020. Based on local regulator methodology.

2. Computed using the NBR USD/RON FX rate as at 30 April 2020.

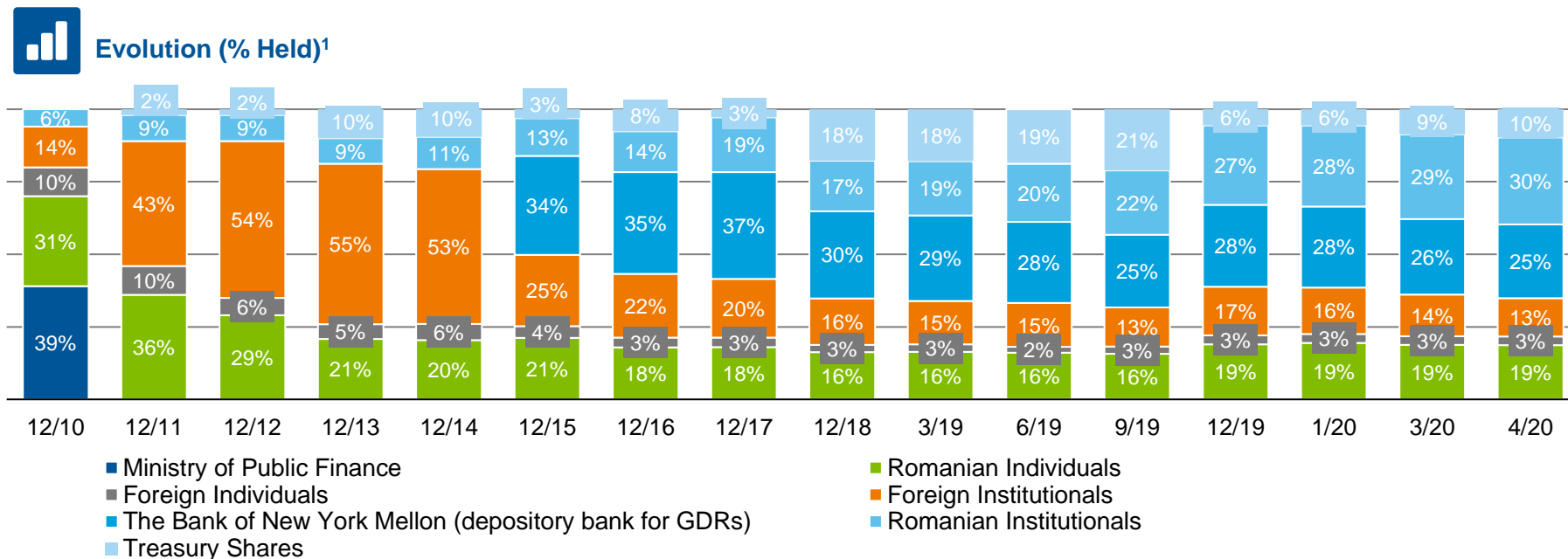
3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 8 May 2020. Computed using the NBR USD/RON FX rate as at 14 May 2020.

4. As at 8 May 2020.

5. Payment will start on 1<sup>st</sup> of July 2020. Dividend yield calculated based on the share price as at 14 May 2020.

6. Source: Fund manager NAV reports, Bloomberg, and BVB, until 14 May 2020.

# Shareholders Structure



- All treasury shares repurchased by the Fund are being cancelled on a regularly basis.

**Largest Shareholders<sup>2</sup>**

NN Group	10.01%
Anchorage Capital Group	6.70%
Allianz-Tiriac Private Pension Funds	5.05%
Total Number of Shareholders <sup>3</sup>	7,170

1. Note: Based on the paid share capital starting December 2011. Source: FP shareholder structure reports.

2. Note: Based on the total voting rights. Source: Ownership disclosures submitted by NN Group on 6 March 2020, Anchorage Capital Group on 20 September 2018, and Allianz-Tiriac Private Pension Funds on 1 July 2019.

3. Source: FP shareholder structure as at 30 April 2020.

# NAV, Share price and GDR Performance



## Cumulative Performance

	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q1 '20	YTD <sup>1</sup>	Since Performance Inception <sup>1</sup>
NAV (RON)	(0.47)%	8.91%	13.29%	1.39%	(0.60)%	7.33%	13.10%	19.94%	31.23%	(16.29)%	(12.32)%	107.34%
Ordinary Share Price (RON)	(30.32)%	38.30%	61.34%	14.53%	(4.06)%	4.90%	21.46%	9.90%	49.05%	(8.26)%	(7.85)%	248.15%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.15%	35.88%	(1.94)%	41.41%	(11.68)%	(5.11)%	65.47%



## Average Annual Discount

2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD <sup>2</sup>	Current Share Price Discount <sup>3</sup>	Current GDR Price Discount <sup>3</sup>
55.67%	50.09%	40.74%	30.87%	29.12%	32.08%	28.05%	29.54%	29.38%	25.39%	20.08%	21.40%

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 30 April 2020.

2. For the period 3 January – 14 May 2020.

3. As at 14 May 2020.

# Attribution to NAV Performance for Q1 2020



## Bottom Performers

Company	Status	Weight in total NAV <sup>1</sup>	% Change in NAV performance for Q1 2020	% Change in share price/ NAV per share in Q1 2020
OMV Petrom	Listed	17.1%	(7.49)%	(35.1)%
Hidroelectrica	Unlisted	47.3%	(2.95)%	(7.2)%
Bucharest Airports	Unlisted	7.4%	(2.62)%	(30.4)%
Salrom	Unlisted	1.9%	(0.75)%	(32.2)%
Alro	Listed	1.0%	(0.64)%	(44.7)%
<b>TOTAL NAV PER SHARE CHANGE Q1 2020</b>				<b>(16.3)%</b>

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

1. FP NAV report as at 31 March 2020.

# Portfolio

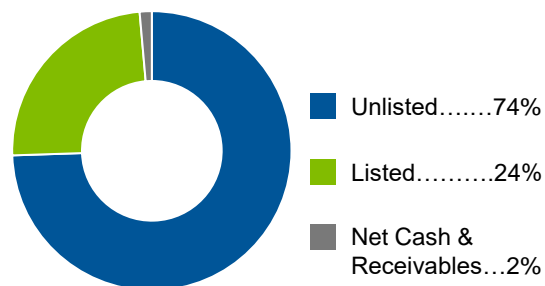
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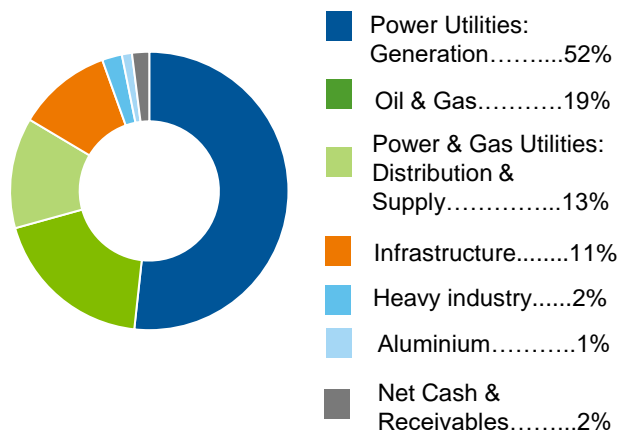
# Portfolio Structure



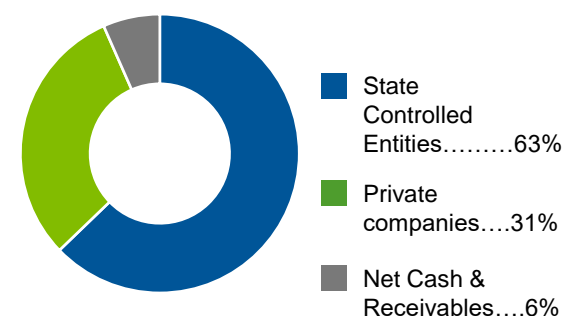
**Listed vs Unlisted**  
as at 30 April 2020 (% NAV)<sup>1</sup>



**By Sector**  
as at 30 April 2020 (% NAV)<sup>1</sup>



**By Controlling Ownership**  
as at 31 March 2020<sup>2</sup>



- As at 30 April 2020, the portfolio included stakes in 33 companies (7 listed and 26 unlisted)
- The net cash and receivables as at 30 April 2020 was USD 29.8 million. The gross dividend per share of RON 0.0642 approved by shareholders on 28 April 2020 was reflected in the 30 April 2020 NAV as a liability.

1. Source: FP April 2020 Factsheet.  
2. Source: FP Q1 2020 Results report.

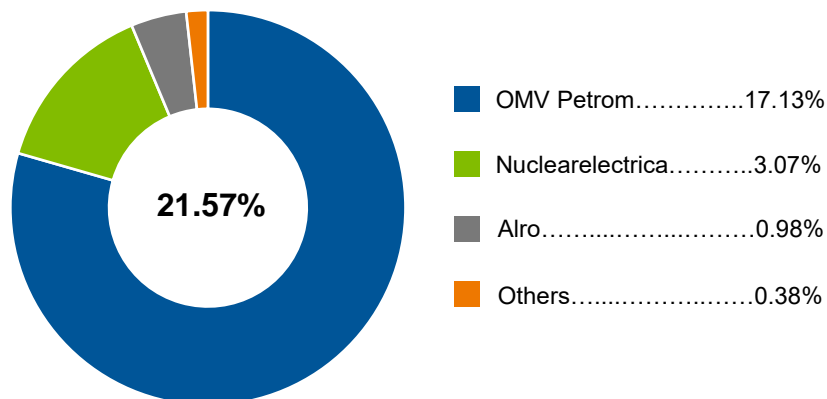


# Portfolio Structure – Listed vs. Unlisted



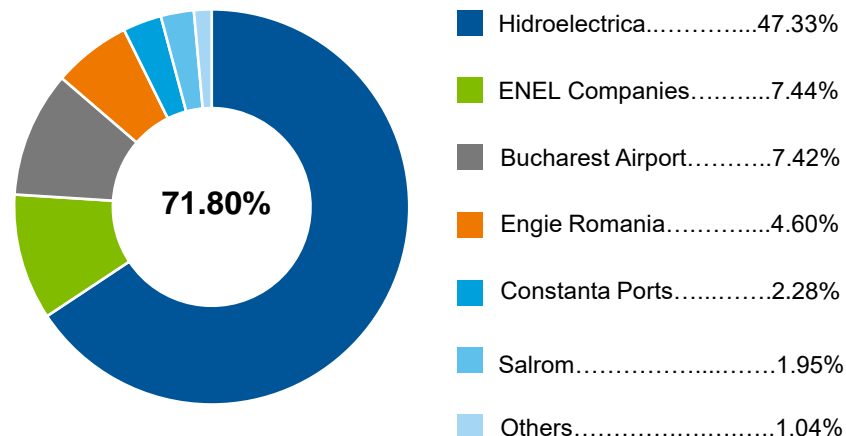
## Listed Companies

(% of NAV as at 31 March 2020)



## Unlisted Companies

(% of NAV as at 31 March 2020)



Source: FP 31 March 2020 Detailed Statement of Investments.

# Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake <sup>1</sup>	NAV as at 30 April 2020 (USD mn)	% in NAV as at 30 April 2020
Hidroelectrica	Unlisted	Romanian State	19.9%	1,034.78	48.41%
OMV Petrom	Listed	OMV	9.9%	406.89	19.04%
Bucharest Airports	Unlisted	Romanian State	20.0%	167.67	7.84%
Engie Romania	Unlisted	Engie	12.0%	102.53	4.80%
Nuclearelectrica	Listed	Romanian State	7.1%	74.97	3.51%
E-Distributie Banat	Unlisted	Enel Group	24.1%	65.18	3.05%
Constanta Ports	Unlisted	Romanian State	20.0%	54.04	2.53%
E-Distributie Muntenia	Unlisted	Enel Group	12.0%	52.78	2.47%
Salrom	Unlisted	Romanian State	49.0%	42.37	1.98%
E-Distributie Dobrogea	Unlisted	Enel Group	24.1%	40.55	1.90%
<b>Top 10 Portfolio Holdings</b>				<b>2,041.75</b>	<b>95.53%</b>
<b>NAV</b>				<b>2,137.34</b>	<b>100.00</b>
<b>NAV Per Share (USD)</b>				<b>0.3269</b>	

Note: Values in USD calculated using the USD/RON FX rate as at 30 April 2020.

Source: FP April 2020 Factsheet.

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

# Top Portfolio Holdings – Q1 2020 financials

Company	EBITDA (RON mn)			Net profit (RON mn)		
	Q1 2019	Q1 2020	%yoy	Q1 2019	Q1 2020	%yoy
Hydroelectrica	739.3	595.0	(19.5)%	498.1	430.3	(13.6)%
OMV Petrom	2,046.2	1,697.9	(17.0)%	1,151.2	653.4	(43.2)%
Alro	(94.7)	(30.6)	(1.3)%	(9.1)	(110.0)	(11.1)%
Nuclearelectrica	422.6	380.2	(10.0)%	219.3	215.1	(1.9)%
<b>Total</b>	<b>3,113.4</b>	<b>2,642.5</b>	<b>(15.1)%</b>	<b>1,859.5</b>	<b>1,188.8</b>	<b>(36.1)%</b>
<b>Weighted Total<sup>1</sup></b>	<b>372.2</b>	<b>312.1</b>	<b>(16.1)%</b>	<b>229.0</b>	<b>155.1</b>	<b>(32.3)%</b>

Source: OMV Petrom, Alro, Nuclearelectrica Q1 2020 financial statements and results reports, Hidroelectrica preliminary figures presented by the management.

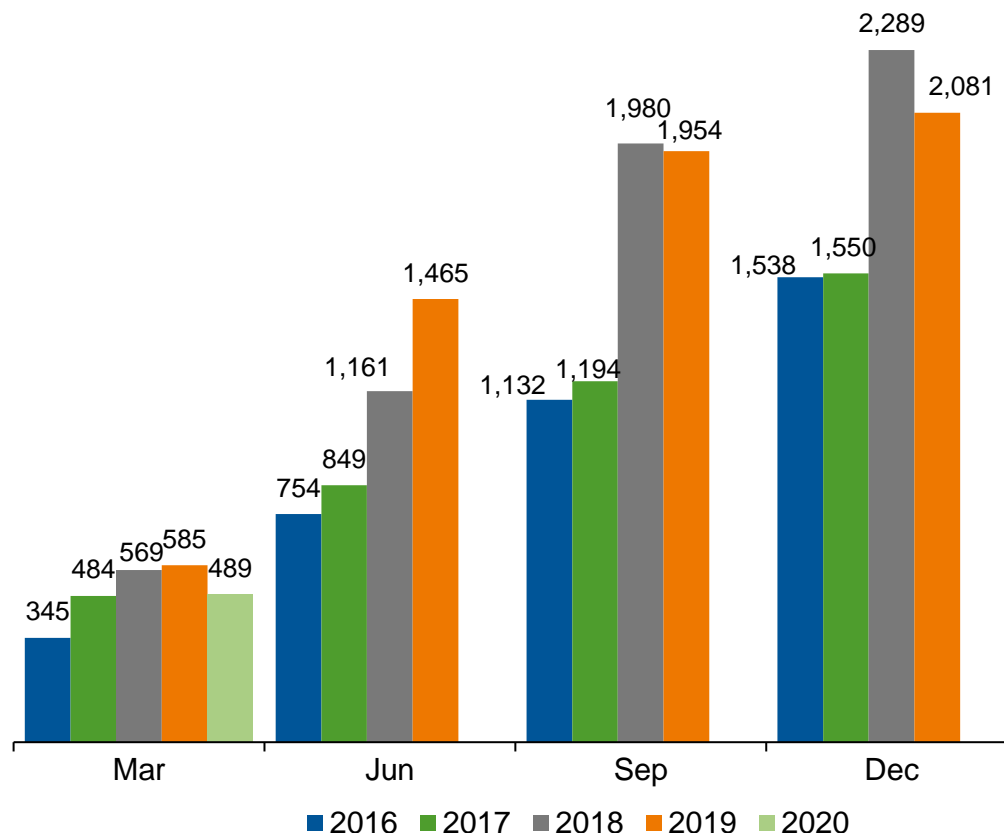
Note: EBITDA is calculated as Operational result + Depreciation and Amortization.

1. Weighted for the Fund's stake in the companies as at 30 April 2020.

## Q1 2020 preliminary results:

- According to Hidroelectrica’s management, in Q1, the company’s performance was as follows:
  - **Turnover** of RON 848.4 mn, down 14.3% y.o.y,
  - **EBITDA** of RON 595.0 mn, down 19.5% y.o.y ,
  - **Operating profit** of RON 467.8 mn, down 17.3% y.o.y,
  - **Net profit** of RON 430.3 mn, down 13.6% y.o.y.
- **Electricity sold** in Q1 was 3.6 TWh, up 1.1% compared to Q1 2019, out of which electricity sold out of its own production reached 3.3 TWh compared to 3.2 TWh in Q1 2019.
- The **average realized electricity selling price** was RON 203/ MWh, down 16.2% compared to Q1 2019, due to the current regulations forcing the company to sell over the period 1.1 TWh at the regulated price of RON 102.5 / MWh, compared to 0.2 TWh sold at the regulated price of RON 111.6/ MWh in Q1 2019.
- The company’s **net cash position** was RON 2.34 bn as at 31 March 2020.

## Pre-tax Cumulated Profit (RON mn)



Source: Hidroelectrica 2016 – 2019 Annual reports and financial statements, press articles, company presentations, management estimations.

- In **Q1 2020**:
  - **Clean CCS<sup>1</sup> operating result** was 21% lower y.o.y.
  - **Consolidated sales revenues** increased by 12% compared to Q1 2019 supported by higher volumes of natural gas, partially compensated by lower commodity prices and lower sales volumes of electricity.
  - **Downstream oil** represented 63% of consolidated sales, while **downstream gas** accounted for 35% and upstream for 1%.
- The **2020 budget** was prepared based on the following main assumptions:
  - **Average Brent oil** price of USD 60/bbl (management recently changed its guidance to USD 40/bbl)
  - **Refining margins** above the 2019 level
  - **Gas price** expected to be below the 2019 level
  - **Sales revenues** are expected to go down by 9%, while **operating result** is expected to decrease by 14% in 2020.
- The management presented the **impact** of low **oil price market** environment 2020:
  - A decrease of 1 USD/bbl in Brent price is impacting the company by **EUR 20 million**
  - A decrease of 1 USD/bbl in refining margin is impacting the company by **EUR 25 million**
  - A 5 cents depreciation of EUR/USD exchange rate is impacting the company by **EUR 50 million**
  - A decrease of 1 EUR/MWh in gas price is impacting the company by **EUR 18 million**

Financial and Operational highlights	Q1 19	Q1 20	%YoY
<b>Sales to external costumers (mn RON)</b>	<b>5,420</b>	<b>6,086</b>	<b>12.3%</b>
• Downstream Oil	3,793	3,853	1.6%
• Downstream Gas	1,532	2,148	40.2%
<b>Clean CCS Operating Result</b>	<b>1,227</b>	<b>975</b>	<b>(20.5)%</b>
Operating Result (mn RON)	1,288	830	(35.6)%
• Upstream	875	130	(85.1)%
• Downstream	567	318	(43.9)%
• Corporate and consolidation	(153)	382	(349.7)%
<b>Clean CCS net income</b>	<b>1,056</b>	<b>760</b>	<b>(28.0)%</b>
<b>Net income (mn RON)</b>	<b>1,151</b>	<b>653</b>	<b>(43.3)%</b>
Hydrocarbon production (mn boe)	13.79	13.68	(0.8)%
Average Group realized crude price (\$/bbl)	55.66	40.60	(27.1)%
OPEX (\$/boe)	11.66	10.87	(6.8)%
Refining margin (USD/bbl)	3.62	6.75	86.5%
Refinery utilisation (%)	96	96	0.0%
Refined product sales (mn tons)	1.18	1.20	1.7%
Gas sales volume (TWh)	12.23	18.61	52.2%
Net electrical output (TWh)	1.08	1.12	3.7%

Source: Group's quarterly historical IFRS figures spreadsheet from OMV Petrom's website.

1. Note: Without one-off special effects and adjusted by the current cost of supply (CCS).

# C.N. Aeroporturi Bucuresti – Update

Financial Performance	2016	2017	2018	Prelim. 2019	%yoy
Operating revenues (mn RON)	754.7	890.9	992.6	1,074.2	8.2%
Operating profit (mn RON)	263.6	337.6	445.9	432.2	(3.1)
Net Income (mn RON)	224.7	290.7	371.8	375.1	0.9%
Number of passengers (mn)	10.99	12.84	13.84	14.73	6.4%

- The company has been heavily impacted by the current crisis: the number of passengers and flights has seen a significant decline since the beginning of the COVID-19 pandemic.
- ACI Europe, the airport industry trade body, estimates that European airports would see a decrease of 28% in number of passengers in 2020 compared with a business as usual scenario. The estimates assume that current flight restrictions will be lifted by the end of April and followed by a gradual recovery in demand for air travel.<sup>1</sup>
- Based on one of the company's scenarios, Bucharest Airport would still be slightly profitable in 2020 in case traffic goes down by 45% compared to 2019.

Source: CN Aeroporturi Bucuresti IFRS financial statements, company press releases and statistics, management estimations.

1. Source: Financial Times 23 March 2020.

# Top 10 portfolio holdings – Key financials

Top 10 Holdings <sup>1</sup>	EBITDA (RON mn)				Net Profit (RON mn)			
	2016	2017	2018	2019	2016	2017	2018	2019
Hidroelectrica	2,249.9	2,250.5	3,127.0	2,934.0	1,227.7	1,296.5	1,939.3	1,386.5
OMV Petrom	4,949.7	6,615.7	7,854.7	7,293.1	1,037.7	2,489.3	4,078.1	3,634.6
Bucharest Airports	384.8	497.1	555.5	N/A	224.7	290.7	371.8	N/A
Engie Romania	645.8	606.0	676.7	N/A	384.9	342.6	428.7	N/A
Nuclearelectrica	629.6	923.8	1,089.5	1,185.0	111.5	306.5	410.6	535.6
E-Distributie Banat	238.7	221.2	207.8	133.5	93.6	82.8	(211.9)	167.7
Constanta Port	84.7	127.2	132.1	108.2	36.8	79.7	75.7	150.0
E-Distributie Muntenia	396.6	297.5	354.1	333.7	151.7	85.9	(114.9)	96.7
Salrom	72.1	128.0	119.7	N/A	30.1	81.1	73.6	N/A
E-Distributie Dobrogea	195.1	169.4	190.3	131.5	73.5	49.5	(143.3)	87.6
<b>Total</b>	<b>9,847.1</b>	<b>11,836.4</b>	<b>14,307.3</b>	<b>12,160.9</b>	<b>3,372.2</b>	<b>5,104.6</b>	<b>6,907.7</b>	<b>6,016.8</b>

Note: EBITDA = Operational result + Depreciation.

Source: Companies' consolidated annual financial statements, Hidroelectrica Judicial Administrator's reports, Bucharest Airport IFRS financial statements.

1. As at 30 April 2020. Source: FP April 2020 Factsheet.

2. Submitted for shareholders' approval during the companies' Annual GSMs.

# Corporate Actions

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

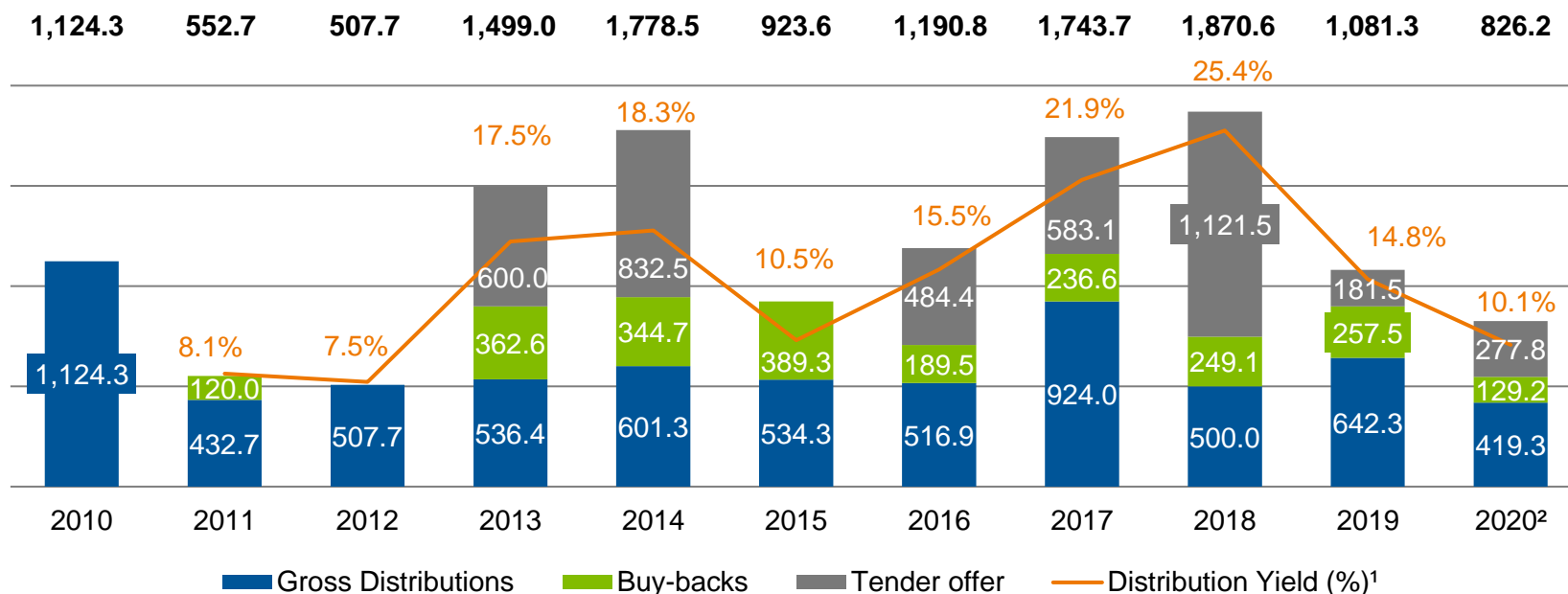




# Distributions to shareholders



## Annual Distributions to Shareholders (RON mn)



The total distributions through buy-backs and cash would amount to RON 13.10 bn/USD 3.54 bn<sup>3</sup>

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

Note: Values exclude related acquisition fees. USD values based on the NBR average USD/RON FX for each year. For 2020, average USD/RON FX as at 14 May.

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. For 2020: average closing share price as at 14 May, average number of paid shares, excluding Treasury shares as at 8 May.

2. Gross distribution estimation based on the gross dividend of RON 0.0642 per share and the average number of paid shares, excluding Treasury shares as at 8 May.

Buy-backs as at 8 May.

3. As at 8 May 2020.

# 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 <sup>1</sup>
Tenth	1 Jan – 31 Dec 2019	Finalized	750.0 mn/8.2%	0.9198 <sup>2</sup>	Auerbach Grayson, BCR	The cancellation was approved by shareholders in the 28 April 2020 Annual GSM
Eleventh	1 Jan – 31 Dec 2020	Ongoing	800.0 mn/10.5%	1.2894 <sup>3</sup>	Auerbach Grayson, Swiss Capital	The cancellation of shares will be subject to shareholders' approval in 2021

Source: Fund Manager current reports, Fund 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 403,812,443 shares repurchased (309,164,893 ordinary shares and 94,647,550 equivalent shares of the GDRs repurchased).

3. As at 8 May 2020. Based on the 315,578,533 shares repurchased (224,661,833 ordinary shares and 90,916,700 equivalent shares of the GDRs repurchased).

# Annual dividend income – Top 10 portfolio companies

Top 10 Holdings <sup>1</sup>	Dividend Payout (%)				FP Net Dividend (RON mn)					
	2016	2017	2018	2019	2015	2016	2017	2018	2019	2020
Hydroelectrica	90	90	90	90 <sup>3</sup>	128.9	134.6	206.6	226.2	358.7	250.0 <sup>3</sup>
OMV Petrom	94	46	38	48	120.5	- <sup>2</sup>	106.8	107.6	145.3	166.8
Bucharest Airports	90	90	90	N/A	10.2	27.4	41.2	61.2	68.0	N/A
Engie Romania	30	50	30	N/A	24.0	- <sup>2</sup>	13.3	20.2	16.4	N/A
Nuclearelectrica	88	93	90	90	6.9	8.6	8.6	18.5	25.4	35.1
E-Distributie Banat	40	39	- <sup>2</sup>	0	20.7	16.8	8.9	7.7	- <sup>2</sup>	0.0
Constanta Port	90	25	25	25	6.5	14.1	11.0	4.1	3.7	5.5 <sup>3</sup>
E-Distributie Muntenia	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	0	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	0.0
Salrom	90	100	90	N/A	10.2	- <sup>2</sup>	13.8	42.3	37.4	N/A
E-Distributie Dobrogea	37	36	- <sup>2</sup>	0	10.5	12.0	6.6	4.3	- <sup>2</sup>	0.0
<b>Total Top 10 Holdings (RON mn)</b>					<b>338.4</b>	<b>213.5</b>	<b>416.8</b>	<b>492.1</b>	<b>654.9</b>	<b>457.4</b>

Source: Companies' GSM decisions for approving the annual dividend payments.

Note: Annual regular dividends, i.e. excluding special dividends. The annual regular dividends are distributed based on the individual financial statements .

1. Source: FP April 2020 Factsheet.

2. The company registered losses.

3. Dividend proposals submitted for shareholders' approval during the companies' annual GSMs.

# 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	201.9 <sup>10</sup>
Total Dividends from Unlisted Companies (RON mn)	275.8 <sup>2</sup>	143.5	315.9	315.2	404.5	366.9	710.0	778.4 <sup>10</sup>
Total Annual Dividend Income (RON mn)	649.7	682.1	567.4	351.2	552.6	566.5	673.7	457.4 <sup>10</sup>
Total Special Dividend Income (RON mn)	-	-	-	-	185.2	199.5	259.3	522.9 <sup>10</sup>
<b>Total Dividends (RON mn)</b>	<b>649.7</b>	<b>682.1</b>	<b>567.4</b>	<b>351.2</b>	<b>737.8</b>	<b>766.0</b>	<b>933.0</b>	<b>980.3<sup>10</sup></b>
Total Annual Dividend Income per Share (RON) <sup>1</sup>	0.04954	0.05674	0.05310	0.0331	0.0750	0.0797	0.1032	0.0700
Total Special Dividend Income per Share (RON) <sup>1</sup>	-	-	-	-	0.0251	0.0281	0.0397	0.0801
<b>Dividend/Distribution per Share (RON)</b>	<b>0.05000</b>	<b>0.05000</b>	<b>0.05000</b>	<b>0.05000</b>	<b>0.0678</b>	<b>0.0903</b>	<b>0.0642</b>	<b>0.1501<sup>11</sup></b>
Share Price (RON)	0.7640 <sup>3</sup>	0.8130 <sup>4</sup>	0.7200 <sup>5</sup>	0.9180 <sup>6</sup>	0.8990 <sup>7</sup>	1.0150 <sup>8</sup>	1.1600 <sup>9</sup>	
Yield	6.54%	5.84%	6.94%	8.76%	7.54%	8.90%	5.53% <sup>9</sup>	
Yield for Romanian companies (BET)	5.10%	3.50%	4.56%	7.07%	8.59%	9.17%		

Source: Fund 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 2019 and 2020, the calculation is based on the number of paid shares excluding treasury shares acquired as at 8 May 2020. Note: The Fund 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 14 May 2020.

10. Based on the dividends received by the Fund as at 30 April 2020 and dividend proposals submitted for shareholders' approval during the companies' annual GSMs.

11. Based on the estimated 2020 Total dividends and the number of paid shares excluding treasury shares acquired as at 8 May 2020.

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# 2019 FY Dividend distribution



## Details on the FY 2019 Dividend:

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- **RON 439.85 million** gross dividend distribution
- **RON 0.0642** gross dividend per share
- **Share price ex-date:** 9 June 2020
- **Registration Date:** 10 June 2020
- **Payment date:** 1 July 2020
- **NAV ex-date:** 30 April 2020

Source: 28 April 2020 FP Annual GSM decisions, Fund Manager.



## Business response to address the impact of the COVID-19 pandemic:

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- Health and wellbeing of all employees and shareholders is a top priority
- FT staff working remotely during lockdown period with skeleton staff supporting critical office functions
- Ongoing engagement with portfolio companies at management, supervisory board and shareholder level
- Ongoing communication with Fondul Proprietatea shareholders:
- Ongoing engagement with public authorities, regulator and other stakeholders

Source: FTIML Bucharest Branch.

# Financial results

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



# Statement of Financial Position

RON mn	31 March 2020 Unaudited	31 December 2019 Audited
Cash and current accounts	25.9	31.9
Deposits with banks	641.6	338.4
Government bonds	-	137.3
Dividend receivables	24.2	-
Equity investments	8,949.7	11,413.1
Other assets	0.7	0.3
<b>Total assets</b>	<b>9,642.1</b>	<b>11,921.0</b>
Payables	29.5	16.7
Other liabilities	26.8	32.8
<b>Total liabilities</b>	<b>56.3</b>	<b>49.5</b>
Total equity	9,585.8	11,871.5
<b>Total liabilities and equity</b>	<b>9,642.1</b>	<b>11,921.0</b>

Source: FP Q1 2020 Results report.



# Statement of Comprehensive Income

RON mn	Q1 2020 Unaudited	Q1 2019 Unaudited
Net (loss)/ gain from equity investments at fair value through profit or loss	(2,463.3)	392.4
Gross dividend income	522.9	34.7
Interest income	3.4	2.2
Other income, net <sup>1</sup>	0.1	-
<b>Net operating (loss)/ income</b>	<b>(1,936.9)</b>	<b>429.3</b>
Administration fees recognised in profit and loss	(13.0)	(9.3)
Other operating expenses	(5.1)	(5.4)
<b>Operating expenses</b>	<b>(18.1)</b>	<b>(14.7)</b>
Finance costs	-	(0.2)
<b>(Loss)/ Profit before income tax</b>	<b>(1,955.0)</b>	<b>414.4</b>
Income tax	-	-
<b>(Loss)/ Profit for the period</b>	<b>(1,955.0)</b>	<b>414.4</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>(1,955.0)</b>	<b>414.4</b>

Source: FP Q1 2020 Results report.

1. Other income/ (expenses), net included mainly the net gain/ (loss) from fair value changes related to government securities, net foreign exchange gain/ (loss), net impairment losses on receivables and other operating income/ (expenses).

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May 2020

# Disclaimer (II)

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 3,959,264,762.44 and paid up share capital is RON 3,770,082,340.44.

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 B36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016.

This presentation herein is issued by Franklin Templeton Investment Management Limited ("FTIML"), registered with the FSA under no. PJM01SFIM/400005/14 September 2009, which is authorized and regulated in the UK by the Financial Conduct Authority, registered therein under the number 121779, registered as a foreign equivalent of an investment adviser with the US Securities Exchange Commission, acting through its Romanian branch having its registered office at Premium Point, 78-80 Buzesti Str., 7-8th floors, 1st. District, Bucharest, Romania.

FTIML acts herein as a delegate of FTIS with respect to the portfolio management functions as well as administration services over the Fund.

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