

Fondul Proprietatea – Q3 2020 Results Conference Call

16 November 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 Details¹

	RON	USD
NAV	9.79 bn	2.34 bn²
NAV/Share	1.5751	0.3771²
Price/Share	1.2850	0.3077²
Price/GDR	63.07²	15.10
Market Capitalization as at 13 November 2020 ³	8.23 bn	2.00 bn³
Discount/Share as at 13 November 2020	16.57%	
Discount/GDR as at 13 November 2020	19.09%	
Number of Paid Shares less Treasury Shares ⁴	6,213,384,617	

Investment Objective

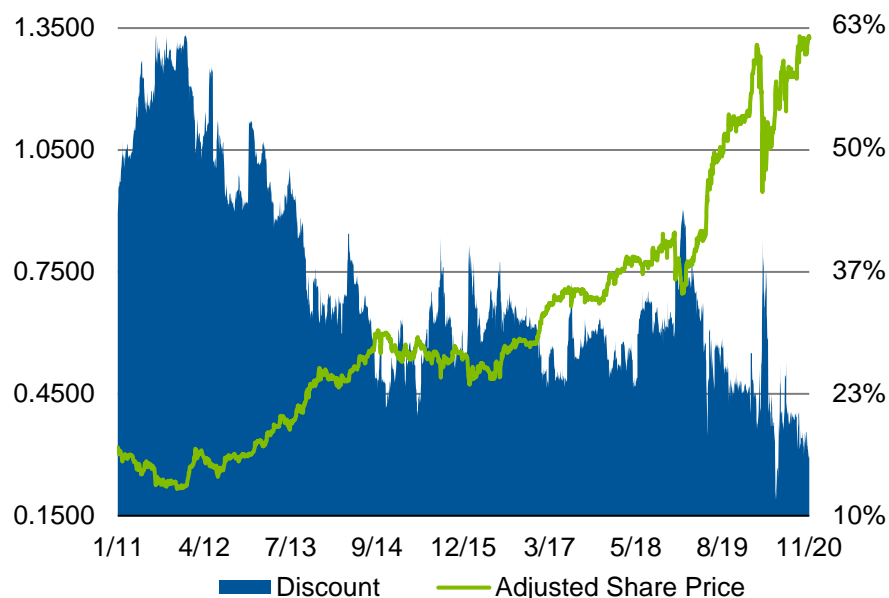
2019 FY Dividend /Share⁵ **RON 0.0642**

Dividend Yield for 2019 FY⁵ **5.42%**

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 (RON)⁶ and Discount (%)



Source: BVB, FP October 2020 Factsheet.

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

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

3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 16 October 2020. Computed using the NBR USD/RON FX rate as at 13 November 2020.

4. As at 16 October 2020.

5. As at 10 June 2020, the Registration date for the 2019 dividend distribution.

6. Source: Bloomberg and BVB until 13 November 2020, Fund Manager calculations.

NAV, Share price and GDR Performance



Cumulative Performance

	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q3 '20	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%	1.66%	(5.15)%	124.28%
Ordinary Share Price (RON)	(30.32)%	38.30%	61.34%	14.53%	(4.06)%	4.90%	21.46%	9.90%	49.05%	2.78%	12.05%	299.53%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.15%	35.88%	(1.94)%	41.41%	7.64%	15.79%	101.92%



Average Annual Discount

2011	2012	2013	2014	2015	2016	2017	2018	2019	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%	21.86%	16.57%	19.09%

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 October 2020.

2. For the period 3 January – 13 November 2020.

3. As at 13 November 2020.

Attribution to NAV Performance for Q3 2020



Top Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance for Q3 2020	% Change in share price/ NAV value per share in Q3 2020
OMV Petrom SA	Listed	13.4%	0.53%	3.4%
CN Aeroporturi Bucuresti SA	Unlisted	7.4%	0.36%	0.0%
Nuclearelectrica SA	Listed	2.8%	0.20%	5.9%
Societatea Nationala a Sarii SA	Unlisted	2.2%	0.20%	0.0%
ENEL Energie Muntenia SA	Unlisted	0.4%	0.10%	0.0%



Bottom Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance for Q3 2020	% Change in share price/ NAV value per share in Q3 2020
Alcom SA	Listed	0.1%	(0.02)%	(25.5)%
Romaero SA	Listed	0.3%	(0.01)%	(3.1)%

TOTAL NAV PER SHARE CHANGE Q3 2020

1.7%

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

1. Source: 30 September 2020 Detailed Statement of Investments.

Attribution to NAV Performance for 9mo 2020



Top Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance for 9mo 2020	% Change in share price/ NAV value per share in 9mo 2020
Hidroelectrica SA	Unlisted	47.5%	1.86%	(3.7)%
Nuclearelectrica SA	Listed	2.8%	0.71%	16.4%
ENEL Energie Muntenia SA	Unlisted	0.4%	0.08%	(1.2)%
Romaero SA	Listed	0.3%	0.02%	8.6%
CN Administratia Porturilor Dunarii Maritime SA	Unlisted	0.0%	0.00%	0.0%



Bottom Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance for 9mo 2020	% Change in share price/ NAV value per share in 9mo 2020
OMV Petrom SA	Listed	13.4%	(4.01)%	(25.1)%
CN Aeroporturi Bucuresti SA	Unlisted	7.4%	(2.11)%	(28.1)%
Engie Romania SA	Unlisted	4.3%	(0.62)%	(16.8)%
E-Distributie Banat SA	Unlisted	2.5%	(0.45)%	(51.4)%
E-Distributie Dobrogea SA	Unlisted	1.7%	(0.30)%	(48.8)%

TOTAL NAV PER SHARE CHANGE 9mo 2020

(8.4)%

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

1. Source: 30 September 2020 Detailed Statement of Investments.

Portfolio

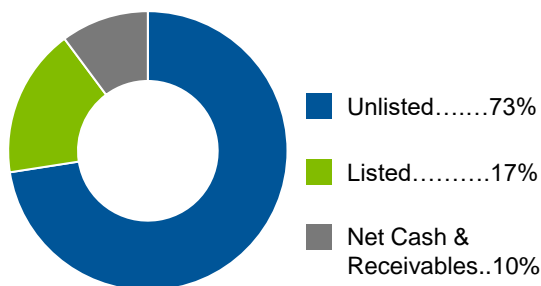
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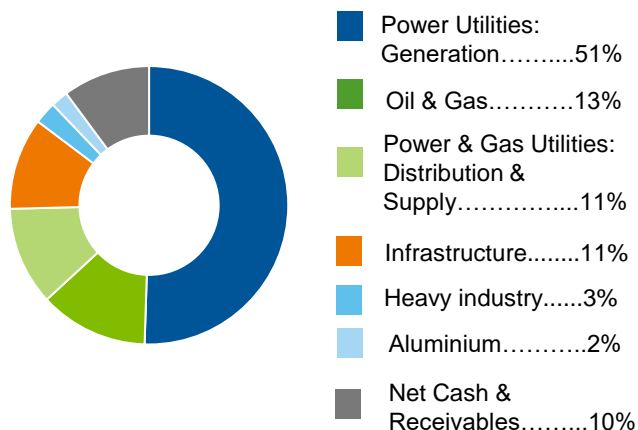
Portfolio Structure



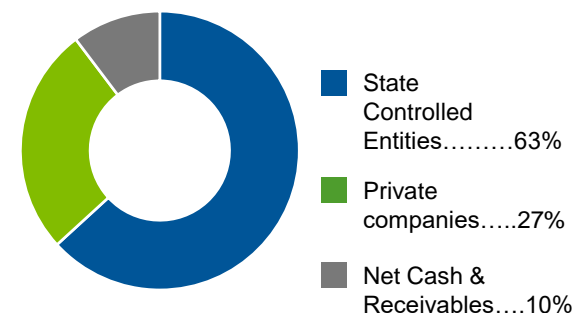
Listed vs Unlisted
as at 30 October 2020 (% NAV)¹



By Sector
as at 30 October 2020 (% NAV)¹



By Controlling Ownership
as at 30 September 2020¹



- As at 30 October 2020, the portfolio included stakes in 33 companies (7 listed and 26 unlisted)
- The net cash and receivables as at 30 October 2020 was USD 238.4 million².

1. Source: FP Q3 2020 Results report.

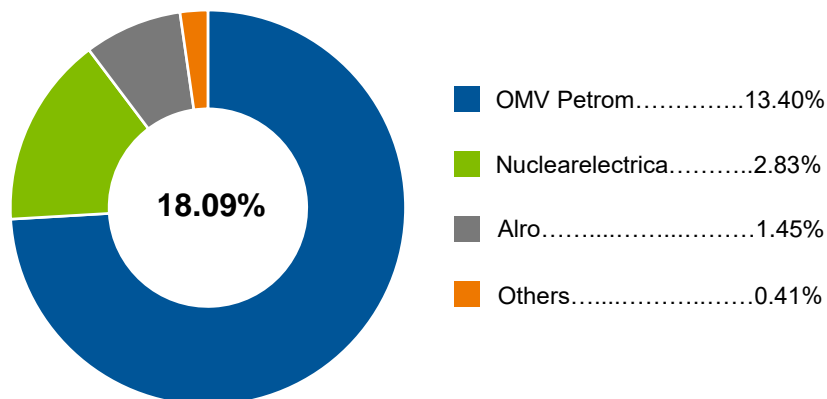
2. Source: 30 October 2020 NAV report, based on the NBR RON/USD FX rate as at 30 October 2020.

Portfolio Structure – Listed vs. Unlisted



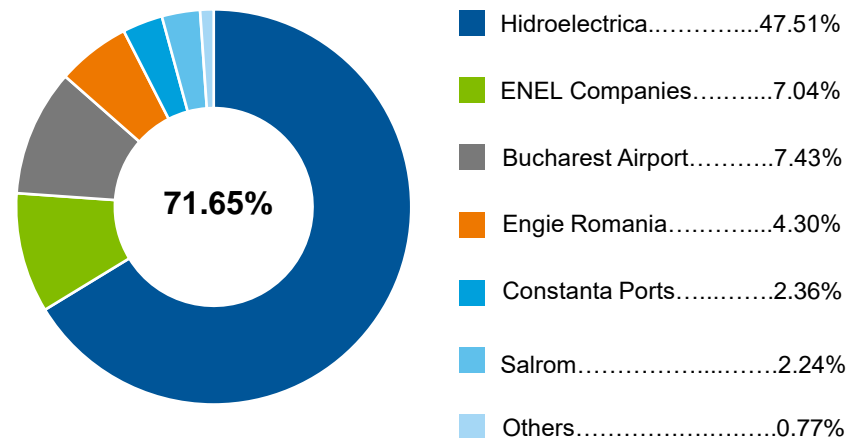
Listed Companies

(% of NAV as at 30 September 2020)



Unlisted Companies

(% of NAV as at 30 September 2020)



Source: FP 30 September 2020 Detailed Statement of Investments.

Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake ¹	NAV as at 30 October 2020 (USD mn)	% in NAV as at 30 October 2020
Hydroelectrica	Unlisted	Romanian State	19.9%	1,127.1	48.1%
OMV Petrom	Listed	OMV	7.0%	297.0	12.7%
Bucharest Airports	Unlisted	Romanian State	20.0%	176.2	7.5%
Engie Romania	Unlisted	Engie	12.0%	102.1	4.4%
Nuclearelectrica	Listed	Romanian State	5.6%	60.6	2.6%
E-Distributie Banat	Unlisted	Enel Group	24.1%	60.5	2.6%
Constanta Ports	Unlisted	Romanian State	20.0%	55.9	2.4%
Salrom	Unlisted	Romanian State	49.0%	53.2	2.3%
E-Distributie Muntenia	Unlisted	Enel Group	12.0%	50.9	2.2%
E-Distributie Dobrogea	Unlisted	Enel Group	24.1%	39.4	1.7%
Top 10 Portfolio Holdings				2,022.8	86.3%
NAV				2,343.3	100.0%
NAV Per Share (USD)				0.3771	

Source: FP October 2020 Factsheet. Note: Values in USD calculated using the NBR USD/RON FX rate as at 30 October 2020.

1. Based on the FP 30 September 2020 Detailed Statement of Investments.

Top Portfolio Holdings – 9mo 2020 financials

Company	EBITDA (RON mn)			Net profit (RON mn)		
	9mo 2019	9mo 2020	%yoy	9mo 2019	9mo 2020	%yoy
Hidroelectrica	2,395.1	1,928.0	(19.5)%	1,315.1	1,264.2	(3.9)%
OMV Petrom	5,648.4	3,947.9	(30.1)%	2,759.9	826.3	(70.1)%
Bucharest Airports	478.6	31.4	(93.4)%	333.3	(49.6)	(114.9)%
Nuclearelectrica	936.3	946.5	1.09%	415.9	477.7	14.8%
Alro	78.7	370.0	370%	(22.7)	273	1,103%
Total	9,537.1	7,223.8	(24.3)%	4,801.5	2,791.6	(41.9)%
Weighted Total¹	1,026.4	755.0	(26.4)%	541.8	353.2	(34.8)%

RON mn	Enel distribution companies ²			Enel supply companies ³		
	9mo 2019	9mo 2020	%yoy	9mo 2019	9mo 2020	%yoy
Revenues	282	289	2.5%	838	852	1.7%
EBITDA	87	100	14.9%	4	62	1,450.0%

Source: OMV Petrom, Alro, Nuclearelectrica Q3 2020 financial statements and results reports, Hidroelectrica and Bucharest Airports preliminary figures presented by the management for the 9mo periods. For Enel companies the figures are consolidated numbers of the Romanian operations issued by the parent company Enel Sp and available at <https://www.enel.com/investors/financials>.

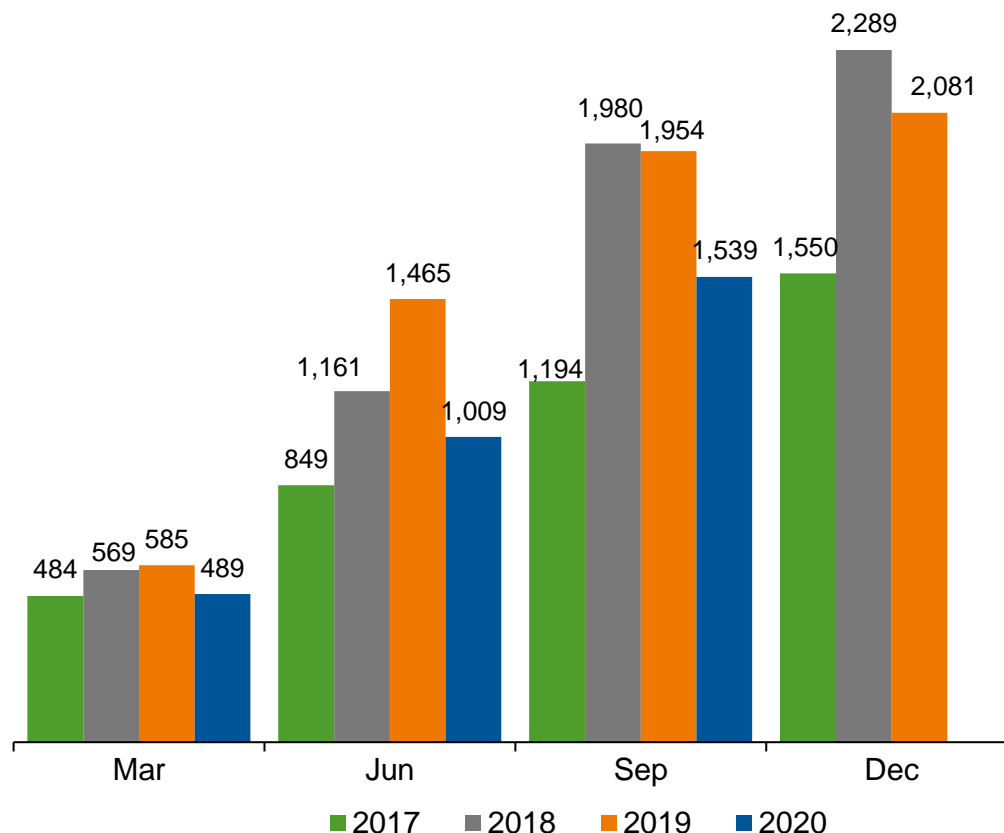
Note: EBITDA is calculated as Operational result + Depreciation and Amortization.

1. Weighted for the Fund's stake in the companies.
2. Includes the Romanian distribution companies: E-Distributie Banat, E-Distributie Muntenia and E-Distributie Dobrogea.
3. Includes the Romanian supply companies: Enel Energie and Enel Energie Muntenia.

9mo 2020 preliminary results:

- According to Hidroelectrica’s management, in the period January – September 2020, the company’s performance was as follows:
 - **Turnover** of RON 2,759.7 mn, down 15.8% y.o.y,
 - **EBITDA** of RON 1,928.0 mn, down 19.5% y.o.y ,
 - **Operating profit** of RON 1,474.6 mn, down 21.4% y.o.y,
 - **Net profit** of RON 1,264.2 mn, down 3.9% y.o.y.
- **Electricity sold** during the 9-month period was 12.01 TWh, down 6.9% compared to the same period of 2019, out of which electricity sold out of its own production reached 10.87 TWh compared to 12.04 TWh in January – September 2019.
- During the period, Hidroelectrica sold on the **regulated market** 2.55 TWh of electricity, compared to 1.48 TWh sold in the same period of last year. The **average realized electricity selling price** was down 9.0% y.o.y to RON 205.3 per MWh.
- On the **competitive market**, the **average realized price for the period** was RON 231.3 / MWh, compared to RON 240.3 / MWh during the similar period of 2019, while the **average regulated price for Hidroelectrica** was RON 106.3 down 4.8% y.o.y..
- The company’s **net cash position** was RON 1.38 bn as at 30 September 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 the 2020 9mo period.

- During **January – September 2020**:
 - **Sales to external costumers** decreased by 17% compared to the same period of 2019, due to low oil prices environment, but supported by higher volumes of natural gas
 - **Operating result** was 71% 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
- **Management main assumptions** for 2020:
 - **Average Brent oil** price of USD 40/bbl (from USD 60/bbl guidance before COVID-19 pandemic)
 - **Refining margins** to be around USD 3/bbl (from below USD 4/bbl guidance in H1 2020)
 - **Gas demand** expected to be similar to the 2019 level
 - **Costs** are expected to be reduced by RON 2.0 bn, out of which around RON 1.3 bn have been already realized
 - **Dividend progressive policy** remains unchanged
- **Impact** of low **oil price market** environment in 2020, according to the management:
 - 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 30 million**
 - A decrease of 1 EUR/MWh in gas price is impacting the company by **EUR 20 million**
- In September 2020, the Fund sold **1.7 bn shares** in OMV Petrom through an **ABB**, with total proceeds of **RON 561 million / USD 137 million**. Following the transaction, the Fund's stake in the company decreased to **7%**

Financial and Operational highlights	9mo 19	9mo 20	%YoY
Sales to external costumers (mn RON)	18,189	15,122	(16.9)%
• Downstream Oil	13,638	10,269	(24.7)%
• Downstream Gas	4,176	4,589	9.9%
Clean CCS Operating Result	3,452	1,821	(47.2)%
Operating Result (mn RON)	3,196	928	(71.0)%
• Upstream	2,093	(1,085)	(151.8)%
• Downstream	1,309	1,811	38.3%
• Corporate and consolidation	(206)	202	198.1%
Clean CCS net income	2,926	1,549	(47.1)%
Net income (mn RON)	2,760	826	(70.1)%
Hydrocarbon production (mn boe)	41.39	40.09	(3.1)%
Average Group realized crude price (\$/bbl)	56.64	33.64	(40.6)%
OPEX (\$/boe)	11.10	10.70	(3.6)%
Refining margin (USD/bbl)	4.67	3.19	(31.7)%
Refinery utilisation (%)	96	90	(6.3)%
Refined product sales (mn tons)	4.05	3.72	(8.1)%
Gas sales volume (TWh)	35.00	43.78	25.1%
Net electrical output (TWh)	2.13	2.99	40.9%

Source: OMV Petrom quarterly historical IFRS figures available on OMV Petrom website, OMV Petrom Q3 2020 results presentation, Fund Manager current report.

C.N. Aeroporturi Bucuresti – Update

Financials ¹	2016	2017	2018	2019	9mo 2019	9mo 2020	%y.o.y.
Operating revenues (mn RON)	754.7	890.9	992.6	1,066.6	786.0	304.3	(61.3)%
Operating result (mn RON)	263.6	337.6	445.9	399.0	469.9	(57.5)	(112.0)%
Net Income / Loss (mn RON)	224.7	290.7	371.8	359.6	333.3	(49.6)	(114.9)%
Number of passengers (mn)	10.99	12.84	13.84	14.73	11.22	3.77	(66.4)%

Monthly passenger traffic	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
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
2020	1,072,488	969,322	440,468	19,258	26,040	75,639	341,826	427,168	401,030
%y.o.y.	7.50%	3.40%	(58.50)%	(98.40)%	(98.00)%	(94.50)%	(76.70)%	(71.60)%	(71.00)%

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 in August 2020 and the key takeaways are² :
 - passenger traffic decreased by 64.2% during the first half 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 tentative coordination of the lifting of travel restrictions in the EU in mid-June, the recovery in passenger traffic within the European airport network has been slower than expected, with an overall decline of 78% in July 2020 compared to July 2019.

2020 revised budget

- In September 2020, the Ministry of Transportation, as majority shareholder approved a revised budget for 2020. According to the revised budget:
 - estimated number of passengers for 2020 of 5.6 million and a net loss of RON 129.5 million
 - decrease of 56% in operating revenues compared to 2019
- According to the revised budget, the recovery is expected to start in 2021, with an increase in passenger traffic to 7.6 million and a gross profit of RON 15.6 million, followed by a stronger improvement in 2022: 11.2 million passengers and RON 207 million gross profit.

1. Source: CN Aeroporturi Bucuresti IFRS financial statements and preliminary figures presented by the management for the 9mo periods, 2020 revised budget.

2. Source: ACI Europe website.

Nuclearelectrica – Update

Financial highlights	9mo 19	9mo 20	%YoY
Revenues from electricity sales, out of which:	1,780.2	1,741.7	(2.2)%
Sales of electricity on free market:	1,661.3	1,450.7	(12.7)%
• average price (RON/TWh)	229.3	227.0	(1.0)%
• quantities sold (TWh)	7.2	6.4	(11.5)%
Proceeds from electric power transmission	8.9	10.0	12.5%
Other income	30.0	35.5	18.5%
Operating expenses, out of which:	(1,289.5)	(1,239.5)	(3.9)%
• D&A	(415.6)	(408.8)	(1.6)%
• Personnel expenses	(351.8)	(326.2)	(7.3)%
EBIT	520.7	537.7	3.3%
Net profit	415.9	477.7	14.8%

Project	Estimated value (bn EUR) ¹	Timeline
Unit 1 refurbishment	1.4	Phase II (2022-2026): prepare for implementing U1 refurbishment (feasibility studies, source of funding, etc.), amounting to approx. EUR 472.3 million
		Phase III (2026-2028): unit shutdown for 2-2.5 years, thus extending Unit 1's life cycle by up to 30 years through re-tubing the reactor and refurbishing the main systems, amounting to approx. EUR 936.3 million
Units 3&4	6.5 ¹	Phase I (2020-2024): take the final investment decision and complete the technical feasibility studies by 2024, amounting to EUR 57.9 million
		Phase II (2024-2031): start actual works in 2024 and finalize by 2031, amounting to EUR 6.45 million, out of which EUR 5.44 billion represents the funding requirement and EUR 1.039 billion the contribution in kind

Source: Nuclearelectrica 9mo consolidated results report, Nuclearelectrica's 5-year investment plan available at: www.nuclearelectrica.ro/ir/wp-content/uploads/sites/9/2020/05/strategy-and-annexe-small.pdf

1. Estimated value for the phase of the project between 2024-2030.

- For the **9mo period** ended 30 September 2020, the company reported:
 - **Operating revenues:** decreased by 2.2% y.o.y to RON 1,741.1 mn
 - **EBIT:** increased by 3.3% y.o.y to RON 537.7 mn
 - **Net profit:** higher 14.8% y.o.y to RON 477.7 mn, mainly due to 3.9% y.o.y lower Opex and positive financial result of RON 34.9 mn vs. a net financial loss of RON 4.7 mn registered in the 9mo period of 2019
 - **Realized average price** decreased by 1.0% y.o.y to RON 227.0 per MWh and **quantity of electricity sold** on the **free market** decreased by 11.5% y.o.y to 6.4 TWh
- On the **regulated market**, Nuclearelectrica was assigned by ANRE to deliver 1.095 TWh in H2 2020, out of which 0.4 TWh were delivered in Q3 and **0.7 TWh** are to be delivered in **Q4**, at a regulated price of RON **182.63 / MWh**.
- According to GSM's resolution from 12 June 2020, the State renounced the negotiations with the Chinese company to build Units 3&4.
- On 9 October, Romania and US agreed on a statement of intent regarding the cooperation on nuclear energy. According to media reports, the value of the agreement is estimated at EUR 8 bn. The projects will be coordinated by AECOM and a consortium of companies from US, Romania, Canada and France.
- Furthermore, on 26 October, Romania and France signed a statement of intent regarding the cooperation on nuclear energy. At company level, Nuclearelectrica signed a similar document with the French company Orano.

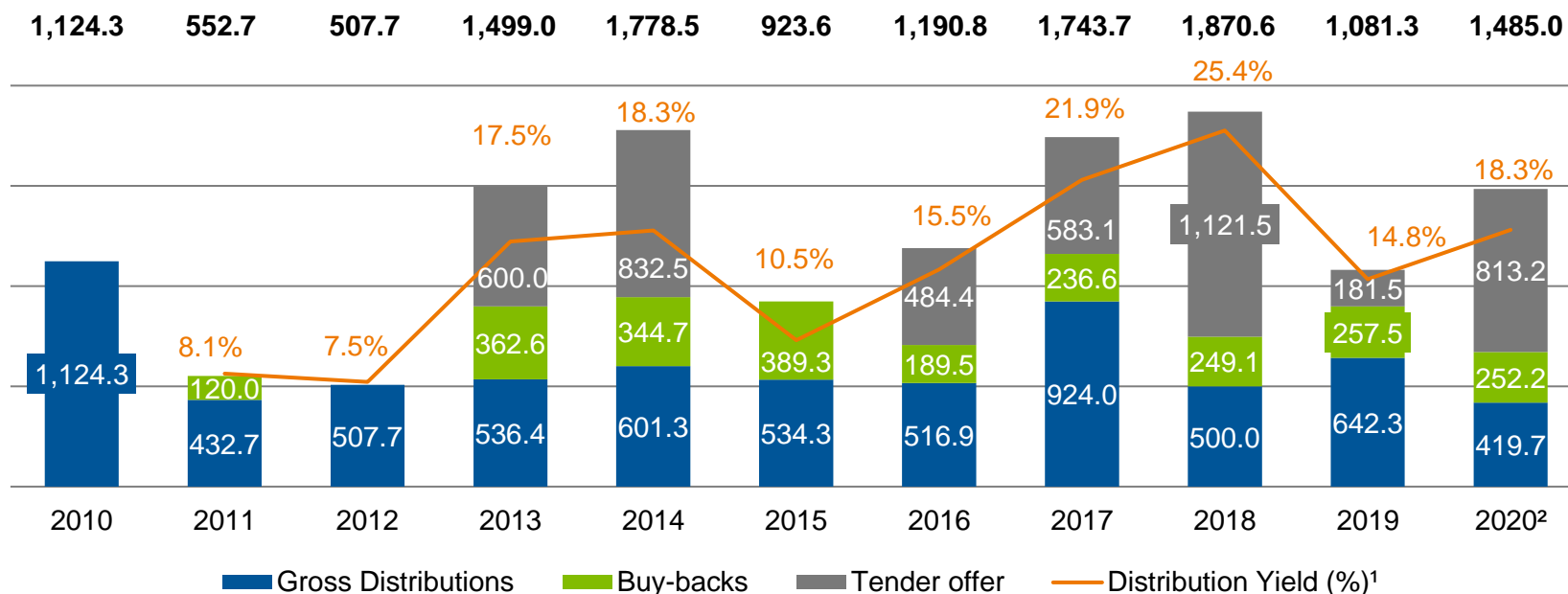
Corporate Actions



Distributions to shareholders



Annual Distributions to Shareholders (RON mn)



The total distributions through buy-backs and cash would amount to RON 13.8 bn/USD 3.7 bn³

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 13 November.

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 13 November, average number of paid shares, excluding Treasury shares as at 16 October.

2. Buy-backs as at 16 October. Tender offer amount includes the estimate for the Third Tender offer of 165 mn shares at the Tender offer price of RON 1.39 per share.

3. As at 13 November 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 ¹
Eleventh	1 Jan – 31 Dec 2020	Ongoing	800.0 mn/11.1%	1.3208 ²	Auerbach Grayson, Swiss Capital	The cancellation of shares will be subject to shareholders' approval in 2021
Twelfth	1 Jan – 31 Dec 2021	Approved by shareholders during the 13 Nov 2020 GSM	800.0 mn/11.1%	–	–	The cancellation of shares will be subject to shareholders' approval in 2022

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. As at 16 October 2020. Based on the 632,961,287 shares repurchased (453,706,887 ordinary shares and 179,254,400 equivalent shares of the GDRs repurchased).

Ninth Tender Offer

Size of the Offer	165,000,000 shares, in the form of shares and GDRs
Purchase price	RON 1.39 per share and the USD equivalent of RON 69.50 per GDR
Subscription period	12 November – 16 December 2020
Allocation method	Pro-rata
Intermediary	Swiss Capital S.A.
Dealer managers	Swiss Capital S.A. and Auerbach Grayson
GDR Tender Agent	The Bank of New York Mellon

Source: Investment Manager current report.

Annual dividend income – Top 10 portfolio companies

Top 10 Holdings ¹	Dividend Payout (%)					FP Net Dividend (RON mn)				
	2015	2016	2017	2018	2019	2016	2017	2018	2019	2020
Hydroelectrica	80	90	90	90	90	134.6	206.6	226.2	358.7	250.0
OMV Petrom	-2	94	46	38	48	-2	106.8	107.6	145.3	166.8
Bucharest Airports	75	90	90	90	N/A	27.4	41.2	61.2	68.0	36.7
Engie Romania	-2	30	50	30	30	-2	13.3	20.2	16.4	12.1
Nuclearelectrica	70	88	93	90	90	8.6	8.6	18.5	25.4	33.1
E-Distributie Banat	44	40	39	-2	0	16.8	8.9	7.7	-2	0.0
Constanta Port	75	90	25	25	25	14.1	11.0	4.1	3.7	5.5
Salrom	-2	90	100	90	50	-2	13.8	42.3	37.4	19.8
E-Distributie Muntenia	-2	-2	-2	-2	0	-2	-2	-2	-2	0.0
E-Distributie Dobrogea	44	37	36	-2	0	12.0	6.6	4.3	-2	0.0
Total Top 10 Holdings (RON mn)						213.5	416.8	492.1	654.9	524.0

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 October 2020 Factsheet.

2. The company registered losses.

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 ¹⁰
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 ¹⁰
Total Annual Dividend Income (RON mn)	649.7	682.1	567.4	351.2	552.6	566.5	673.7	525.0 ¹⁰
Total Special Dividend Income (RON mn)	-	-	-	-	185.2	199.5	259.3	683.1 ¹⁰
Total Dividends (RON mn)	649.7	682.1	567.4	351.2	737.8	766.0	933.0	1,208.1¹⁰
Total Annual Dividend Income per Share (RON) ¹	0.04954	0.05674	0.05310	0.0331	0.0750	0.0797	0.1035	0.0845
Total Special Dividend Income per Share (RON) ¹	-	-	-	-	0.0251	0.0281	0.0398	0.1099
Dividend/Distribution per Share (RON)	0.05000	0.05000	0.05000	0.05000	0.0678	0.0903	0.0642	0.1944¹¹
Share Price (RON)	0.7640 ³	0.8130 ⁴	0.7200 ⁵	0.9180 ⁶	0.8990 ⁷	1.0150 ⁸	1.1850 ⁹	
Yield	6.54%	5.84%	6.94%	8.76%	7.54%	8.90%	5.42%	
Yield for Romanian companies (BET)	5.10%	3.50%	4.56%	7.07%	8.59%	9.17%	7.34%	

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 2020, the calculation is based on the number of paid shares excluding treasury shares acquired as at 16 October 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 10 June 2020.

10. Based on the portfolio companies' dividend distributions received as at 30 October 2020.

11. Based on the estimated 2020 Total dividends and the number of paid shares excluding treasury shares acquired as at 16 October 2020.

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	30 September 2020 Unaudited	31 Dec 2019 Audited
Cash and current accounts	36.0	31.9
Deposits with banks	955.8	338.4
Government bonds	168.6	137.3
Dividend receivables	10.6	-
Equity investments	8,892.0	11,413.1
Other assets	0.4	0.3
Total assets	10,063.4	11,921.0
Payables	26.0	16.7
Other liabilities	128.2	32.8
Total liabilities	154.2	49.5
Total equity	9,909.2	11,871.5
Total liabilities and equity	10,063.4	11,921.0

Source: FP Q3 2020 Results report.

Statement of Comprehensive Income

RON mn	9mo 2020 Unaudited	9mo 2019 Unaudited
Net (loss)/ gain from equity investments at fair value through profit or loss	(1,885.7)	1,267.9
Gross dividend income	1,218.7	723.4
Interest income	8.7	8.0
Other income, net ¹	3.6	3.1
Net operating (loss)/ income	(654.7)	2,002.4
Administration fees recognised in profit and loss	(41.5)	(38.0)
Other operating expenses	(19.6)	(18.0)
Operating expenses	(61.1)	(56.0)
Finance costs	(0.1)	(0.4)
(Loss)/ Profit before income tax	(715.9)	1,946.0
Income tax	(10.5)	(9.9)
(Loss)/ Profit for the period	(726.4)	1,936.1
Total comprehensive income for the period	(726.4)	1,936.1

Source: FP Q3 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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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 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 B36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016.

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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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