

A photograph of three business professionals in a modern office setting. A man in a white shirt is on the left, looking at a laptop. A man with glasses and a beard in a blue shirt is in the center, pointing at the laptop screen with a pen. A woman with long brown hair in a beige top is on the right, looking at the laptop. The laptop screen displays a bar chart with the title 'Special Management 2020' and the subtitle 'New employees' and 'Employees who have left the company'. The chart shows a series of bars of increasing height. There is a coffee cup on the table and a window in the background.

# Fondul Proprietatea – Q3 2021 Results Conference Call

15 November 2021

# Fund Information

FONDUL  
PROPRIETATEA



FRANKLIN  
TEMPLETON

# The Fund – Key Facts



## Fund Details<sup>1</sup>

Fund Details <sup>1</sup>	RON	USD
NAV	12.37 bn	2.91 bn <sup>2</sup>
NAV/Share	2.1054	0.4957 <sup>2</sup>
Price/Share	1.6700	0.3932 <sup>2</sup>
Price/GDR	84.94 <sup>2</sup>	20.00
Market Capitalization as at 12 November 2021	10.55 bn	2.44 bn <sup>3</sup>
(Discount)/Premium per Share as at 12 November 2021	(14.56)%	
(Discount)/Premium per GDR as at 12 November 2021	(16.67)%	
Number of Paid Shares less Treasury Shares <sup>4</sup>	5,868,504,260	
Dividend Yield		
Dividend Yield for the RON 0.0720 Dividend/Share <sup>5</sup>	4.17%	
Dividend Yield for the RON 0.0700 Dividend/Share <sup>6</sup>	3.91%	
Dividend Yield for the RON 0.0600 Dividend/Share <sup>7</sup>	3.34%	
Total Dividend Yield	11.42%	

## Investment Objective

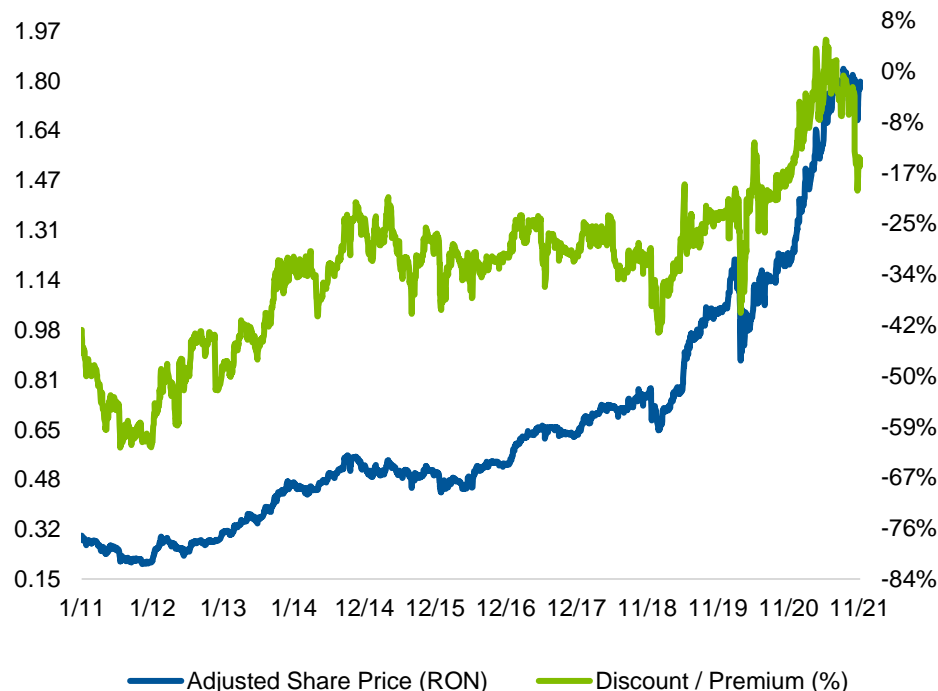
Maximization of returns to shareholders and increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities

Source: BVB, FP October 2021 Factsheet.

- As at 29 October 2021. Based on local regulator methodology.
- Computed using the NBR USD/RON FX rate as at 29 October 2021.
- Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 12 November 2021. Computed using the NBR USD/RON FX rate as at 12 November 2021.
- As at 12 November 2021.
- Yield calculated based on FP share price as at 28 May 2021, the Registration date for the RON 0.0720 dividend per share distribution approved by shareholders during the 28 April 2021 GSM.
- Yield calculated based on FP share price as at 6 August 2021, the Registration date for the RON 0.0700 dividend per share distribution approved by shareholders during the 16 July 2021 GSM.
- Dividend proposal submitted for shareholders' approval during the 15 December 2021 GSM. Dividend yield calculated based on FP's 12 November 2021 share price.
- Source: Bloomberg and BVB until 12 November 2021, Fund Manager calculations.



## FP Adjusted Share Price<sup>8</sup> and Discount/Premium (%)



# NAV, Share price and GDR Performance



## Cumulative Performance<sup>1</sup>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q3 2021	9mo 2021	YTD <sup>2</sup>	Since Performance Inception <sup>2</sup>
NAV (RON)	(0.5)%	8.9%	13.3%	1.4%	(0.6)%	7.3%	13.1%	19.9%	31.2%	2.2%	11.9%	32.5%	34.0%	223.9%
Share Price (RON)	(30.3)%	38.3%	61.3%	14.5%	(4.1)%	4.9%	21.5%	9.9%	49.1%	37.8%	1.7%	35.1%	24.6%	461.8%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.2%	35.9%	(1.9)%	41.4%	48.5%	(4.7)%	30.7%	25.7%	187.4%



## Average (Discount)/Premium to NAV

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD <sup>3</sup>	Current <sup>4</sup>
Share Price	(55.7)%	(50.1)%	(40.7)%	(30.9)%	(29.1)%	(32.1)%	(28.1)%	(29.5)%	(29.4)%	(21.1)%	(4.9)%	(14.6)%
GDR	N/A	N/A	N/A	N/A	(29.6)%	(30.0)%	(27.0)%	(29.8)%	(30.7)%	(21.7)%	(6.6)%	(16.7)%

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

Note: The discount/premium 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. Dividend adjusted.
2. As at 29 October 2021.
3. For the period 4 January – 12 November 2021.
4. As at 12 November 2021.

# Attribution to NAV Performance for Q3 2021



## Top Performers



## Bottom Performers

Company	Status	Weight in total NAV <sup>1</sup>	Change in NAV performance	Change in NAV per share (RON)
Hidroelectrica	Unlisted	59.0%	10.45%	0.2018
OMV Petrom	Listed	14.8%	1.11%	0.0214
Alro	Listed	1.7%	0.05%	0.0010
Romaero	Listed	0.4%	(0.08)%	(0.0015)
Zirom	Unlisted	0.2%	(0.04)%	(0.0008)
TOTAL NAV PER SHARE CHANGE				7.78%

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

1. 30 September 2021 NAV report.



# Attribution to NAV Performance for 9mo 2021



## Top Performers



## Bottom Performers

Company	Status	Weight in total NAV <sup>1</sup>	Change in NAV performance	Change in NAV per share (RON)
Hidroelectrica	Unlisted	59.0%	24.94%	0.4233
OMV Petrom	Listed	14.0%	4.75%	0.0806
Engie Romania	Unlisted	4.9%	0.81%	0.0137
Alro	Listed	1.7%	0.40%	0.0067
Constanta Port	Unlisted	2.2%	0.34%	0.0058
Bucharest Airports	Unlisted	4.8%	(0.31)%	(0.0053)
Salrom	Unlisted	1.5%	(0.12)%	(0.0021)
Romaero	Listed	0.4%	(0.10)%	(0.0017)
Zirom	Unlisted	0.2%	(0.05)%	(0.0008)
E-Distributie Banat	Unlisted	2.0%	(0.03)%	(0.0005)
<b>TOTAL NAV PER SHARE CHANGE</b>				<b>22.61%</b>

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

1. 30 September 2021 NAV report.



# Portfolio

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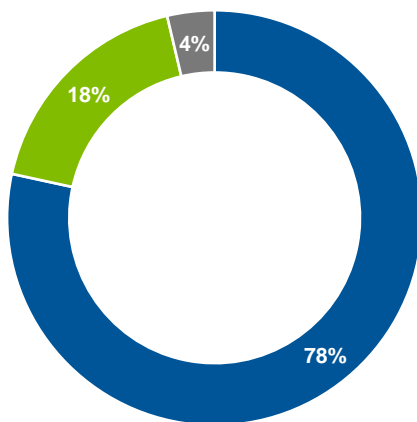
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# Current Portfolio Structure



## Listed vs Unlisted

(% of NAV as at 29 October 2021)<sup>1</sup>

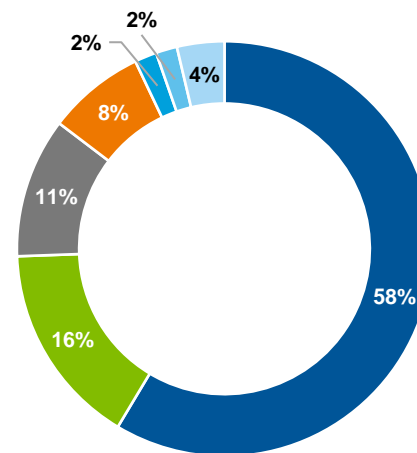


■ Unlisted ■ Listed ■ Net Cash & receivables



## By Sector

(% of NAV as at 29 October 2021)<sup>1</sup>



■ Power Utilities: Generation ■ Infrastructure  
 ■ Oil & Gas ■ Heavy industry  
 ■ Power & Gas Utilities: Distribution & Supply ■ Aluminium  
 ■ Net Cash & Receivables

- As at 29 October 2021, the portfolio included stakes in 32 companies (6 listed and 26 unlisted)
- The net cash and receivables as at 29 October 2021 was USD 107.3 million<sup>2</sup>.

1. Source: FP October 2021 Factsheet.

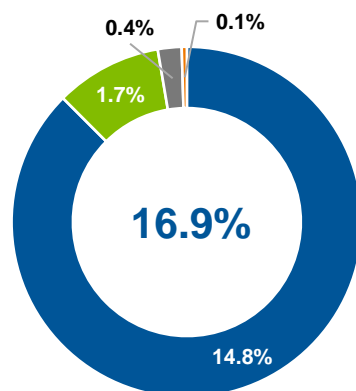
2. Source: 29 October 2021 NAV report, based on the NBR RON/USD FX rate as at 29 October 2021.



# Portfolio Structure – 30 September 2021 NAV



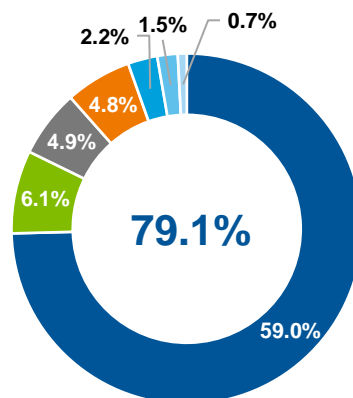
## Listed Companies



■ OMV Petrom ■ Alro ■ Romaero ■ Others



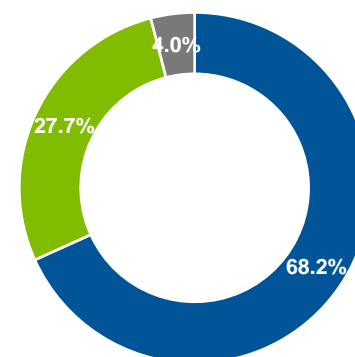
## Unlisted Companies



■ Hidroelectrica ■ ENEL companies  
■ Engie Romania ■ Bucharest Airport  
■ Constanta Ports ■ Salrom  
■ Others



## By Controlling Ownership



■ State Controlled Entities  
■ Private Companies  
■ Net Cash and Receivables

Source: FP Q3 2021 Results report.

# Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake <sup>1</sup>	NAV as at 29 October 2021 (USD mn)	% in NAV as at 29 October 2021
Hidroelectrica	Unlisted	Romanian State	19.9%	1,703.2	58.5%
OMV Petrom	Listed	OMV	7.0%	460.1	15.8%
Engie Romania	Unlisted	Engie	12.0%	142.2	4.9%
Bucharest Airports	Unlisted	Romanian State	20.0%	139.4	4.8%
Constanta Port	Unlisted	Romanian State	20.0%	62.2	2.1%
E-Distributie Banat	Unlisted	Enel Group	24.1%	59.2	2.0%
E-Distributie Muntenia	Unlisted	Enel Group	12.0%	48.9	1.7%
Alro	Listed	Vimetco N.V.	10.2%	48.1	1.7%
E-Distributie Dobrogea	Unlisted	Enel Group	24.1%	44.4	1.5%
Salrom	Unlisted	Romanian State	49.0%	43.0	1.5%
<b>Top 10 Portfolio Holdings</b>				<b>2,750.7</b>	<b>94.4%</b>
<b>Net Cash and Receivables</b>				<b>107.3</b>	<b>3.7%</b>
<b>NAV</b>				<b>2,912.8</b>	<b>100.0%</b>
<b>NAV Per Share (USD)</b>				<b>0.4957</b>	

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

1. Based on the FP 30 September 2021 Detailed Statement of Investments.

# Top Portfolio Holdings – Key financials

Top Holdings	EBITDA (RON mn)			Net Profit (RON mn)		
	9mo 2020	9mo 2021	% change	9mo 2020	9mo 2021	% change
Hidroelectrica	1,927.9	3,612.8	87.4%	1,264.2	2,566.8	103.0%
OMV Petrom	3,194.6	4,756.6	48.9%	826.3	1,676.0	102.8%
Bucharest Airports	31.3	133.3	325.9%	(49.6)	35.3	171.2%
Constanta Port	169.3	174.7	3.2%	124.3	144.0	15.8%
Alro	482.7	282.2	(41.5)%	273.4	(24.7)	(109.0)%
<b>Total</b>	<b>5,805.8</b>	<b>8,959.6</b>	<b>54.3%</b>	<b>2,438.6</b>	<b>4,397.4</b>	<b>80.3%</b>
<b>Weighted Total<sup>1</sup></b>	<b>697.4</b>	<b>1,143.8</b>	<b>64.0%</b>	<b>352.8</b>	<b>662.5</b>	<b>87.8%</b>

Note: EBITDA = Operational result + Depreciation and Amortization.

Source: OMV Petrom and Alro 9mo 2021 results reports, 9mo 2021 preliminary results for Hidroelectrica, Bucharest Airports, and Constanta Port.

1. Weighted for the Fund's stake in the companies.

# Hidroelectrica – Update

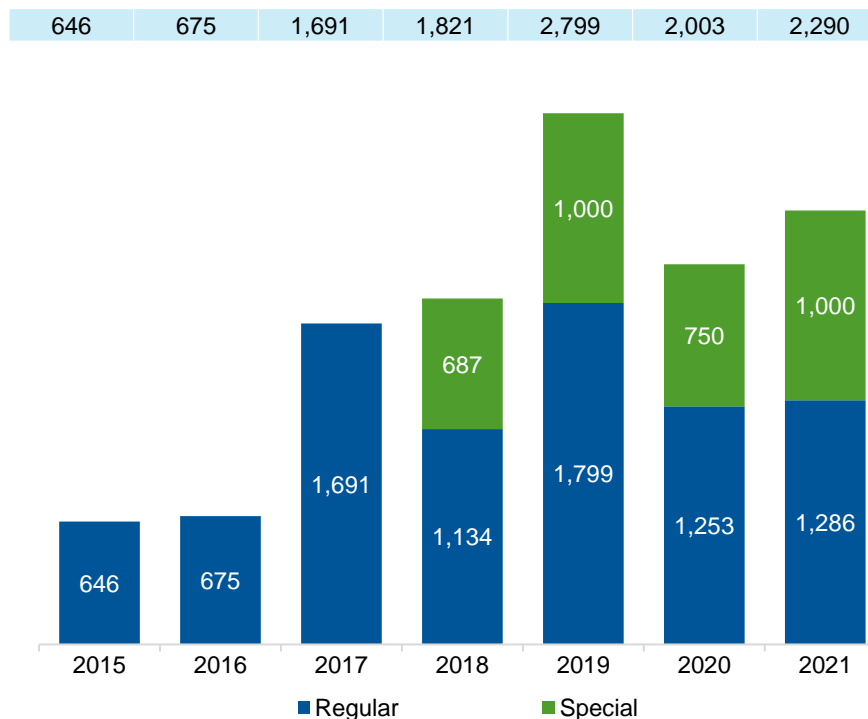


## 9mo 2021 results:

- According to the management, in the first 9 months of 2021 the company's performance was as follows compared to the similar period of 2020:
  - **Turnover** of RON 4,688.3 mn, up 70%,
  - **EBITDA** of RON 3,612.8 mn, up 87%,
  - **Operating profit** of RON 3,116.7 mn, up 111%,
  - **Net profit** of RON 2,566.8 mn, up 103%
- Electricity sold** was 14.08 TWh, up 18% y.o.y, out of which electricity sold out of its own production reached 13.61 TWh, up 26% y.o.y.
- Over the period, the **average realized selling price** was up 48% to RON 305.42 per MWh.
- As a result of the changes to the Romanian Water Law implemented during 2020, as well as higher electricity production volumes, the company registered total costs with the water used to produce electricity of RON 443 million, up from RON 228 million during the similar period of 2020.
- The company's **net cash position** was RON 2.50 bn as at 30 September 2021.



## Dividends paid in (RON mn)



Source: Hidroelectrica's management estimations for 9mo 2021, Annual financial statements, GSM decisions.

# OMV Petrom – Update



## In the January – September 2021 period:

- **Consolidated sales revenues** increased compared to the same period of 2020, mainly due to higher sales of petroleum products, in terms of both prices and volumes, and partially offset by lower sales volumes of natural gas and electricity.
- The **Clean CCS Operating Result** was higher mainly due to the significant contribution of the increase in crude oil prices and of the Downstream Oil segment, mainly as a result of much higher refining margins, partly offset by lower contribution from Downstream Gas.



## 2021 outlook:

- **Average Brent oil** price of USD 70/bbl (from USD 41.84 in 2020)
- **Refining margins** expected to be around USD 5/bbl (from USD 2.9/bbl in 2020)
- **Production** expected to decline around 7% 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)



## 2021 sensitivities, according to the management:

- An increase of 1 USD/bbl in Brent price is impacting the company by **EUR 17 mn**
- An increase of 1 USD/bbl in refining margin is impacting the company by **EUR 25 mn**
- A 5 cents appreciation of EUR/USD exchange rate is impacting the company by **EUR 35 mn**
- An increase of 1 EUR/MWh in gas price is impacting the company by **EUR 15 – 20 mn<sup>1</sup>**

Financial and Operational highlights	9mo 2020	9mo 2021	%YoY
<b>Sales to external costumers (mn RON)</b>	<b>15,122</b>	<b>17,046</b>	<b>12.7%</b>
• Downstream Oil	10,269	13,558	32.0%
• Downstream Gas	4,589	3,332	(27.4)%
<b>Clean CCS Operating Result</b>	<b>1,821</b>	<b>2,846</b>	<b>56.3%</b>
<b>Operating Result (mn RON)</b>	<b>928</b>	<b>2,216</b>	<b>138.8%</b>
• Upstream	(1,085)	1,072	(198.8)%
• Downstream	1,811	1,438	(20.6)%
• Corporate and consolidation	202	(294)	(245.5)%
<b>Clean CCS net income</b>	<b>1,548</b>	<b>2,193</b>	<b>41.7%</b>
<b>Net income (mn RON)</b>	<b>826</b>	<b>1,676</b>	<b>102.9%</b>
Hydrocarbon production (mn boe)	40.09	35.97	(10.3)%
Average Group realized crude price (\$/bbl)	33.64	57.23	70.1%
OPEX (\$/boe)	10.70	12.70	18.7%
Refining margin (USD/bbl)	3.19	4.78	49.8%
Refinery utilisation (%)	90	95	5.6%
Refined product sales (mn tons)	3.72	3.93	5.6%
Gas sales volume (TWh)	43.78	36.64	(16.3)%
Net electrical output (TWh)	2.98	3.24	8.7%

Source: OMV Petrom quarterly historical IFRS figures available on OMV Petrom website, OMV Petrom H1 2021 results presentation.

1. Depending on the level of gas prices and the gap between CEGH and OMV Petrom's realized prices.



# Bucharest Airports – Update (I)

Financials	2016	2017	2018	2019	2020	9mo 2020	9mo 2021	% y.o.y.
Operating revenues (mn RON)	754.7	890.9	992.6	1,066.6	405.6	304.3	386.6	27.0%
Operating result (mn RON)	263.6	337.6	445.9	399.0	(178.0)	(57.5)	37.5	165.2%
Net Income/Loss (mn RON)	224.7	290.7	371.8	359.6	(146.4)	(49.6)	35.3	171.2%
Number of passengers (mn)	10.99	12.84	13.84	14.73	4.47	3.77	4.91	30.2%

Monthly passenger traffic (thous.)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	997.8	937.6	1,061.2	1,192.0	1,301.9	1,373.6	1,469.6	1,504.0	1,384.2	1,269.9	1,123.4	1,114.7
2020	1,072.5	969.3	440.5	19.3	26.0	75.6	341.8	427.2	401.0	296.8	174.8	223.9
2021	231.8	179.3	219.2	308.5	387.8	626.5	952.8	1,055.6	946.6	-	-	-
'21 vs '19 (%)	(76.8)%	(80.9)%	(79.3)%	(74.1)%	(70.2)%	(54.4)%	(35.2)%	(29.8)%	(31.6)%	-	-	-

## Operational update

- Following a strong recovery in traffic during the summer season, Bucharest Airports returned to profitability at the end of September 2021.
- Traffic in the first nine months of 2021 stood at 4.9 million passengers, 56% below pre-Covid levels, but up by 30% y.o.y..

## COVID-19 considerations

- The latest traffic report from ACI Europe, the airport industry trade body, reveals that traffic in EU airports from July 2021 decreased by 49% compared to the same period of 2019.

Source: CN Aeroporturi Bucuresti IFRS financial statements, management estimations, ACI Europe website.

## Bucharest Airports – Update (II)

### Baneasa Airport share capital increase



- During the October 2021 GSM, the Ministry of Transport voted in favor of a share capital increase with the land inside the Baneasa Airport, brought as Romanian state's contribution in kind to the company's capital. This was the third time the process to increase the share capital was initiated since 2001, when Baneasa Airport received the land ownership certificates. According to the GSM documentation, the proposed value for the share capital increase was RON 3.81 bn.
- The share capital increase approved in the GSM was RON 4.76 bn: RON 3.81 bn as in-kind contribution of the Romanian State, calculated as value of the land parcels as per the 2021 land valuation report, and RON 953.70 mn as value of shares to be subscribed by Fondul Proprietatea for maintaining its 20% ownership.
- The preference rights may be used by the Fund within 60 days calculated starting with date when the shareholders resolution is published in the Official Gazette. After the 60 days period expires, the share capital will be increased with the value of the paid-up shares (the Romanian State's contribution in kind is already considered to be completed). If the Fund does not subscribe, the unsubscribed shares will be cancelled.
- The Fund Manager already expressed its opinion strongly disputing the fundamentally flawed 2021 land valuation report, as it attributes a very high value to the land, despite a previously approved valuation report from 2017, which set the value of the same land at RON 269.17 mn.
- The Fund Manager already started several court cases: one for the annulment of the shareholders' resolution, and a second one asking the court to suspend the entire process until the claim for annulment is irrevocably closed. In addition, we filed a challenge against the registration of the shareholders' resolution with the trade register. Unfortunately, the duration of court cases in Romania is unpredictable so we cannot provide an estimate on when these cases would be resolved. However, the Fund Manager will continue to pursue all available legal means to have a solution as soon as possible.

# Constanta Ports – Update

Financial performance	2016	2017	2018	2019	2020	9mo 2020	9mo 2021	% y.o.y.
Operating revenues (RON mn)	314.0	330.5	345.2	369.0	398.8	257.8	311.8	20.9%
Operating profit (RON mn)	54.8	93.8	95.8	117.0	145.9	133.5	156.3	17.1%
Net Income (RON mn)	36.8	79.7	75.7	108.2	130.3	124.3	144.0	15.8%
Total traffic (thousands tons)	59.4	58.4	61.3	66.6	60.4	44.8	51.5	15.0%

## Operational updates

- Turnover surged by 21% y.o.y. in the first nine months of 2021, driven mainly by services rendered to ships.
- Traffic was also up by 15% y.o.y. to 51.5 million tons, with strong double-digit growth in agricultural products, and iron and non-ferrous ores.
- Net profit reached RON 144 million, 16% higher y.o.y. and already above the FY 2020 net result.

Source: Constanta Port financial statements and annual reports, 9mo 2021 preliminary results.

# Enel Group companies – Update

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On 4 November, Enel S.p.A. published nine months 2021 financial results for the global group. For Romania, the Group reported:

## EBITDA

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- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• EUR 98 million for the infrastructure and networks' segment (distribution), 2.0% lower compared to the same period of 2020.</li></ul> | <ul style="list-style-type: none"><li>• EUR 58 million for the retail segment (supply), 6.5% lower compared to the same period of 2020.</li></ul> |
|---|---|

## Electricity distributed

- During the nine months of 2021, the quantity of electricity distributed by Enel's subsidiaries grew by 4.4% y.o.y. at 11.9 TWh, reaching 3 million end users in Romania, flat compared to 9 months of year 2020 level.

# Alro – Update

Operational performance <sup>1</sup>	9M 20	9M 21	%YoY	Q3 20	Q3 21	%YoY
Operating revenues (RON mn)	1,942.0	2,466.4	27.0%	581.0	928.5	59.8%
Sales of primary aluminium	851.5	1,075.8	26.3%	275.4	375.7	36.4%
Sales of processed aluminium	958.5	1,200.9	25.3%	282.1	449.1	59.2%
Average LME prices (USD/tons)	1,633.0	2,384.0	46.0%	1,704.0	2,648.0	55.4%
COGS	(1,965.4)	(2,119.8)	7.9%	(600.7)	(773.8)	28.8%
Administrative expenses	(213.3)	(221.8)	4.0%	(71.9)	(77.1)	7.3%
EBIT	355.1	163.9	(53.8)%	11.7	100.5	760.5%
<b>Net profit</b>	<b>273.4</b>	<b>(24.7)</b>	<b>(109.0)%</b>	<b>22.9</b>	<b>19.7</b>	<b>16.4%</b>

## 9mo 2021 financial result:

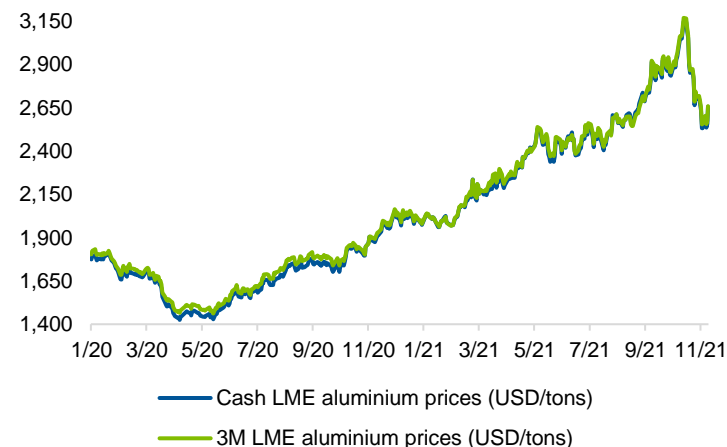
- Since the company did not recognize any revenues related to the compensation scheme, EBIT stood at RON 163.9 mn, 53.8% lower y.o.y.
- Net loss was RON 24.7 mn, mainly due to losses from commodity options of RON 46.4 mn and FX losses of RON 43.8 mn, on the back of RON depreciation against USD.
- Adjusted net result stands at RON 45.9 mn, excluding the loss from the financial derivative instruments.

## State aid scheme:

- Alro received the compensation of RON 395.9 mn for the energy costs incurred in 2020 in October 2021.
- EU-ETS guidelines for 2021 – 2030 entered into force in January 2021 at EU level. Two of the benchmark factors for indirect emissions are still to be published by the European Commission until the end of the year.
- According to the 2021 budget approved in April 2021, Alro expects EUR 81 mn from the compensation for indirect emissions in 2021.

1. Alro consolidated financial results.  
2. Source: Bloomberg.

## LME aluminium prices (USD/tons)<sup>2</sup>



## LME aluminium inventories (mn tons)<sup>2</sup>





# Compensation scheme for the consumption of electricity and natural gas for the cold season 2021 – 2022

On 1 November 2021 it entered into force Law 259/2021 for approval of the GEO no. 118/2021 regarding the establishment of a compensation scheme for the consumption of electricity and natural gas for the cold season 2021 – 2022.

Main provisions of the law, applicable between 1 November 2021 – 31 March 2022:

## Electricity:

- For **household customers** the law provides for a unit compensation amounting to a maximum of 0.291 lei / kWh.
- For **households and other consumers defined in the law**, the legislation caps the final invoiced retail electricity price at RON 1.0 / kWh (out of which RON 0.525 / kWh for the active electricity tariff).
- For **small and medium enterprises, micro-enterprises and other categories defined by law**, the law provides for the exemption from the payment of regulated tariffs, namely: the tariff for introduction / extraction from the network, the distribution tariff, the system service tariff, the transport tariff, as well as from the payment of green certificates, the contribution for high efficiency cogeneration and the excise duties.
- Taxation of **electricity producers** at an 80% rate of the additional revenues resulting from the difference between the average monthly selling price and RON 450 per MWh. **Fossil fuel electricity producers**, including cogeneration plants, are exempted from this additional taxation.

## Natural gas:

- For **household customers** the law provides for a compensation of up to 33% of the value of the natural gas price component from the supply contract of the beneficiary customer.
- For **households and other consumers defined in the law**, the legislation caps the final invoiced retail gas prices at RON 0.370 / kWh (out of which the gas component will be a maximum of RON 0.250 / kWh).
- For **small and medium enterprises, micro-enterprises and other categories defined by law**, the law provides for the exemption from the payment of the transport cost, the distribution tariff and of excise duties.

**The costs associated with the end-consumer support schemes, and the price caps will be supported from the State Budget.**

Source: Law 259/2021, published in the Official Gazette of Romanian on 29 October 2021.



# Corporate Actions

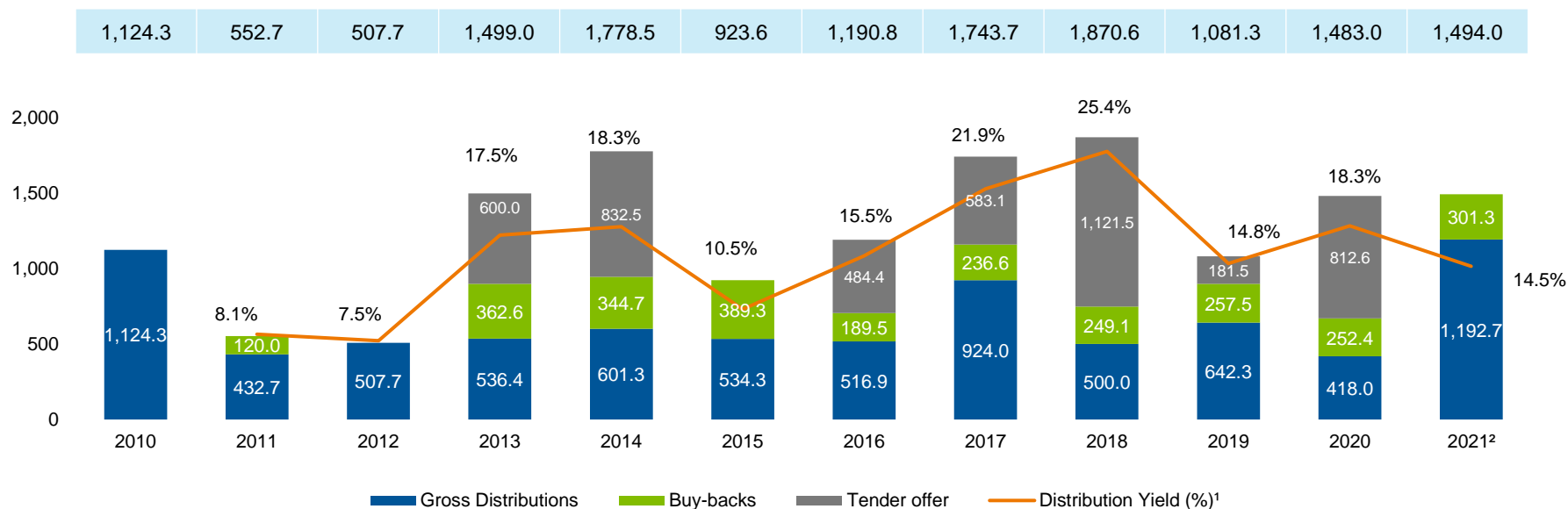
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PROPRIETATEA

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# Distributions to Shareholders



## Annual Distributions to Shareholders (RON mn)



**The total distributions through buy-backs and cash would amount to RON 15.2 bn/USD 4.1 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 2021, average USD/RON FX as at 12 November.

- 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 12 November and average number of paid shares excluding Treasury shares as at 12 November.
- Based on buy-backs as at 12 November, RON 0.072/share special distribution payable starting 22 June, RON 0.07/share special distribution payable starting 27 August, RON 0.06/share special distribution submitted for shareholders' approval in the 15 December 2021 GSM, and number of paid shares excluding Treasury shares as at 12 November.
- As at 12 November 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 <sup>1</sup>
Twelfth	1 Jan – 31 Dec 2021	Ongoing	800.00 mn/12.48%	1.6750 <sup>2</sup>	Auerbach Grayson, Swiss Capital	The cancellation of shares will be subject to shareholders' approval in 2022
Thirteenth	Jan – Dec 2022	Submitted for shareholders' approval in the 15 December 2021 GSM	800.00 mn/12.48%	–	–	The cancellation of shares will be subject to shareholders' approval in 2023

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 12 November 2021. Based on the 179,880,357 shares repurchased (132,134,107 ordinary shares and 47,746,250 equivalent shares of the GDRs repurchased).

# 15 December 2021 GSM Agenda – Main Points (I)



Only the persons registered as shareholders of the Fondul Proprietatea on **26 November 2021** (the **Reference Date**) in the register of shareholders kept by Depozitarul Central S.A. have the right to participate and vote at the GSM that will take place starting **1.00 p.m.** Romanian time, at Athénée Palace Hilton Bucharest Hotel, Le Diplomate Salon, 1-3 Episcopiei street, 1<sup>st</sup> district, Bucharest



## EGM agenda

- The approval of the thirteen buy-back programme for a maximum number of 800,000,000 treasury shares starting with the date when the GSM resolution is published in the Romanian Official Gazette, until 31 December 2022.
- The approval of the amended Investment Policy Statement, which shall be in force starting with 1 April 2022.



# 15 December 2021 GSM Agenda – Main Points (II)

## The approval of:

27 January 2022 as the Ex – Date;  
28 January 2022 as the Registration Date;  
18 February 2022 as the Payment Date.



## OGM agenda

- The approval of the 2022 budget.
- The approval of a gross special dividend of RON 0.06 per share.
- The approval of the terms along with the execution of the Management Agreement between Fondul Proprietatea and Franklin Templeton International Services S.à r.l. for a duration of 2 years starting with 1 April 2022.



## Financial results

# Statement of Financial Position

RON mn	30 September 2021	31 December 2020
	Unaudited	Audited
Cash and current accounts	76.9	34.4
Deposits with banks	445.1	660.0
Government bonds	77.9	380.3
Dividend receivables	-	0.0
Equity investments	11,770.4	9,246.7
Other assets	0.4	0.6
<b>Total assets</b>	<b>12,370.7</b>	<b>10,322.0</b>
Payables	25.5	19.8
Other liabilities	80.9	35.3
<b>Total liabilities</b>	<b>106.4</b>	<b>55.1</b>
Total equity	12,264.3	10,266.9
<b>Total liabilities and equity</b>	<b>12,370.7</b>	<b>10,322.0</b>

Source: FP Q3 2021 results report.

# Statement of Comprehensive Income

RON mn	9mo 2021 Unaudited	9mo 2020 Unaudited
Unrealised loss from equity investments at fair value through profit or loss	(107.1)	(1,741.0)
Unrealised gain from equity investments at fair value through profit or loss	2,620.3	42.2
Realised loss from equity investments at fair value through profit or loss	-	(198.9)
Realised gain from equity investments at fair value through profit or loss	-	12.0
Gross dividend income	655.1	1,218.7
Interest income	11.6	8.7
Other income, net <sup>1</sup>	0.8	3.6
<b>Net operating (loss)/ income</b>	<b>3,180.7</b>	<b>(654.7)</b>
Administration fees recognised in profit and loss	(61.9)	(41.5)
Other operating expenses	(14.8)	(19.6)
<b>Operating expenses</b>	<b>(76.7)</b>	<b>(61.1)</b>
Finance costs	(0.1)	(0.1)
<b>(Loss)/ Profit before income tax</b>	<b>3,103.9</b>	<b>(715.9)</b>
Income tax	(6.1)	(10.5)
<b>(Loss)/ Profit for the period</b>	<b>3,097.7</b>	<b>(726.4)</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>3,097.7</b>	<b>(726.4)</b>

Source: FP Q3 2021 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).

# Disclaimer (I)

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November 2021

## Disclaimer (II)

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In addition, the list of investor rights can be found in the Constitutive Act, available on the Fund's website, in the Corporate Governance section, here: <https://www.fondulproprietatea.ro/about-fund/fund-overview/corporate-governance>.

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The Fund's headquarters are located at 76-80 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 3,334,342,422.84 and paid-up share capital is RON 3,145,160,000.84.

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 FTIS, acting through its Romanian branch having its registered office at 76-80 Buzesti Str., 8th floor, 1st. District, 011017, Bucharest, Romania.



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