

***BOARD OF NOMINEES ANNUAL REPORT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021***

**I. THE ROLE OF THE BOARD OF NOMINEES**

***INTRODUCTION:***

The Board of Nominees (“BoN”) of Fondul Proprietatea SA (the “Fund” / “Fondul Proprietatea”) is a body created in accordance with the Fund’s Constitutive Act and with Article 224 para. (4) of National Security Commission’s Regulation no. 15/2004, which does not have an equivalent correspondence in the corporate body structure regulated by the Companies’ Law no. 31/1990 (“*For concluding the administration contract in case of an investment firm which is not self-managed, and also for verifying the unrolling of this contract, the general shareholding can appoint representatives*”).

The Board of Nominees consists of members appointed by the Ordinary General Shareholders’ Meeting (“OGM”) for a mandate of three (3) years, which upon expiry is automatically extended until the next OGM.

The members of the Board of Nominees shall be the persons designated by the Fund’s shareholders (and may themselves be shareholders) and shall hold adequate experience and qualifications to decide (if necessary, by assistance of an independent consultant) whether the transactions proposed by the Fund Manager, which require the approval of the Board of Nominees, are carried out for the benefit of the shareholders. The Board has a diligence and loyalty duty to the Fund, acting in the best interests of its shareholders.

The Board of Nominees shall meet at least quarterly. The convening of the meeting shall be made by the chairperson of the Board of Nominees (selected by the members thereof), by a member of the Board of Nominees or by the Fund Manager. The meeting of the Board of Nominees shall assemble within seven (7) days of convening. The resolutions of the Board of Nominees shall be passed statutorily with a quorum representing the majority of the total members thereof, with the vote of the majority of the voting rights held by the members of the Board of Nominees.

The main duties of the Board of Nominees are described in the Constitutive Act. The [current Constitutive Act](#) is published on the Fund’s website.

***SHORT PRESENTATION OF THE BOARD OF NOMINEES’ ACTIVITY FOR 2021:***

***Composition of the Board of Nominees***

The structure of the Board of Nominees as at 31 December 2021 was the following:

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Mandate expiring on</u></b>
Mrs. Ilinca von Derenthall	Chairperson	26 November 2023

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Mr. Ciprian Lăduncă	Member	16 November 2023
Mr. Nicholas Paris	Member	6 April 2024
Mr. Ömer Tetik	Member	6 April 2024
	Member	

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Considering the fact that the previous mandates for Mr. Rymaszewski and Mr. Healy ended in April 2021, during 24 March 2021 General Shareholders' Meeting ("GSM") shareholders decided to appoint two members in the Board of Nominees of Fondul Proprietatea, as follows:

- Mr. Nicholas Paris starting with the acceptance date of the mandate and
- Mr. Ömer Tetik starting with the acceptance date of the mandate

The mandates of the new members are for a period of three (3) years onwards.

Starting with 18 December 2021, Mr. Mark Gitenstein has resigned from his positions held within the Fund's Board of Nominees and all consultative committees of the Fund. The appointment of a new member of the Board will be on the agenda of the next general meeting of the shareholders.

During this period, the Alternative Investment Fund Manager and Sole Director of Fondul Proprietatea was Franklin Templeton International Services S.à r.l. (the "*Fund Manager*").

### Meetings & Relevant Decisions

In accordance with the provisions of Article 16 of the Constitutive Act of the Fund adopted by the Extraordinary General Shareholders Meeting Decision no. 5 of 29 November 2010 and the provisions of Chapter III of the Regulation for organization and functioning of the Board of Nominees approved by the Board of Nominees' Decision no. 2 of 14 October 2010, as subsequently amended, there were ten (10) meetings of the Board of Nominees in 2021, as follows:

- **2 February 2021 – video conference call** (Members of the Board joining the conference call: Mr. Piotr Rymaszewski – Chairperson, Mr. Julian Healy, Mr. Mark Gitenstein, Mr. Ciprian Lăduncă and Mrs. Ilinca von Derenthall)
- **22 February 2021 – video conference call** (Members of the Board joining the conference call: Mr. Piotr Rymaszewski – Chairperson, Mr. Julian Healy, Mr. Mark Gitenstein, Mr. Ciprian Lăduncă and Mrs. Ilinca von Derenthall)
- **12 April 2021 – video conference call** (Members of the Board joining the conference call: Mrs. Ilinca von Derenthall – Chairperson, Mr. Mark Gitenstein, Mr. Ciprian Lăduncă, Mr. Nicholas Paris, and Mr. Ömer Tetik)
- **14 May 2021 – video conference call** (Members of the Board joining the conference call: Mrs. Ilinca von Derenthall – Chairperson, Mr. Mark Gitenstein, Mr. Ciprian Lăduncă, Mr. Nicholas Paris, and Mr. Ömer Tetik)
- **31 May 2021 – video conference call** (Members of the Board joining the conference call: Mrs. Ilinca von Derenthall – Chairperson, Mr. Mark Gitenstein, Mr. Ciprian Lăduncă, Mr. Nicholas Paris, and Mr. Ömer Tetik)
- **14 July 2021 – video conference call** (Members of the Board joining the conference call: Mrs. Ilinca von Derenthall – Chairperson, Mr. Ciprian Lăduncă, Mr. Nicholas Paris, and Mr. Ömer Tetik)

- **9 August 2021 – video conference call** (Members of the Board joining the conference call: Mrs. Ilinca von Derenthall – Chairperson, Mr. Mark Gitenstein, Mr. Ciprian Lăduncă, Mr. Nicholas Paris, and Mr. Ömer Tetik)
- **30 September 2021 – meeting** (Members of the Board joining the conference call: Mrs. Ilinca von Derenthall – Chairperson, Mr. Mark Gitenstein (via video conference call), Mr. Ciprian Lăduncă, Mr. Nicholas Paris, and Mr. Ömer Tetik)
- **14 October 2021 – video conference call** (Members of the Board joining the conference call: Mrs. Ilinca von Derenthall – Chairperson, Mr. Mark Gitenstein, Mr. Ciprian Lăduncă, Mr. Nicholas Paris, and Mr. Ömer Tetik)
- **16 December 2021 – video conference call** (Members of the Board joining the conference call: Mrs. Ilinca von Derenthall – Chairperson, Mr. Mark Gitenstein, Mr. Ciprian Lăduncă, Mr. Nicholas Paris, and Mr. Ömer Tetik)

In addition, during 2021, the members of the Board of Nominees had intensive discussion (meetings/conference calls) at the request of shareholders of Fondul Proprietatea, with regards the Fund's activity and key terms of the new Management Agreement which was approved during 15 December 2021 General Shareholders Meeting.

During 2021, the Board of Nominees issued a total number of sixteen (16) decisions. Among such, the most important resolutions referred to:

- ✓ The prior approval of the Fund Manager's Annual Activity Report of Fondul Proprietatea SA for the financial year ended 31 December 2020 including the auditor's report;
- ✓ The prior approval of the proposal of the Fund Manager of Fondul Proprietatea for Accounting Loss coverage
- ✓ The prior approval of the proposal of the Fund Manager of Fondul Proprietatea for the Coverage of the Negative Reserve incurred during the financial year ended 31 December 2020
- ✓ The approval of the proposal of the Fund Manager of Fondul Proprietatea with respect to the prior approval of the special dividend distributions
- ✓ The approval of the proposal of the Fund Manager of Fondul Proprietatea with respect to the negative reserves coverage incurred in 2020 financial year derived from the cancelation of the Fund's treasury shares;
- ✓ The prior approval of the proposal of the Fund Manager of Fondul Proprietatea for appointment of Ernst & Young Assurance Services SRL as the financial auditor of the setting the duration of the financial audit agreement for the period starting with 1 July 2022 to 31 August 2025;
- ✓ The approval of the Annual Report of Board of Nominees, including the Review Report drafted by the Board of Nominees in relation to the Performance Report prepared by the Alternative Investment Fund Manager for the financial year ended on 31 December 2020;
- ✓ The approval of the continuation of its mandate as Alternative Investment Fund Manager and Sole Director and the approval of the Procedure to be observed for the selection of a new manager of Fondul Proprietatea S.A.;
- ✓ The approvals regarding General Shareholders Meetings held during 2021;
- ✓ The approval of the Fund Manager's proposals for amending the Constitutive Act of Fondul Proprietatea;

- ✓ The approval of the Fund Manager's proposal with respect the decrease of the subscribed registered share capital of Fondul Proprietatea;
- ✓ The prior approval of the Fund Manager's proposal of amending the Investment Policy Statement of the Fund;
- ✓ The approval of amending several procedures, guidelines and policies;
- ✓ The approval of the request of the Fund Manager of Fondul Proprietatea with respect to the waiver for a selection process for the depositary bank, by the extension of the current agreement, for a period of 3 years;
- ✓ The appointment of new members of the Consultative Committees;
- ✓ The prior approval of the Management Agreement between Fondul Proprietatea and Franklin Templeton International Services S.à r.l.;
- ✓ The approval of the costs related to signing different arrangements for rendering various services to the Fund;
- ✓ The prior approval of the buyback programmes of the own shares issued by the Fund;
- ✓ The prior approval of Fondul Proprietatea's 2022 budget;
- ✓ The approval of certain expense categories reclassifications/ reallocations in the Fund's 2021 Budget.

## ***SHORT PRESENTATION OF THE CONSULTATIVE COMMITTEES OF FONDUL PROPRIETATEA***

At Fondul Proprietatea's level, two permanent Consultative Committees are established, in accordance with the applicable legal provisions in force, namely:

- The Audit and Valuation Committee of Fondul Proprietatea ("AVC")
- The Nomination and Remuneration Committee of Fondul Proprietatea ("NRC")

### ***➤ Overview of the activity performed by the Audit and Valuation Committee of Fondul Proprietatea during 2021***

#### ***Introduction:***

A permanent Audit and Valuation Committee composed of five Board of Nominees members was established to provide assistance to the governing bodies of the Fund in the area of risk management, internal control and financial reporting. This committee reviews the annual financial statements and the proposal for profit distribution, as well as performs other activities under the new European audit regulation. In addition, the Audit and Valuation Committee analyses the proposal for appointing the independent financial auditor, who is appointed by shareholders at an OGM.

The Committee also supervises the Fund's risk management strategy and its financial performance and assesses any issues brought to its attention by the internal auditor.

The Fund Manager reports to the Audit and Valuation Committee at least once a year on the internal audit plan and on any material relevant matters.

The Audit and Valuation Committee consists only of members of the Board and should be composed of at least three members. The majority of the members of the Audit and Valuation

Committee should be independent. The majority of members, including the chairperson, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the committee should have relevant expertise concerning the application of the accounting principles or concerning the financial statutory audit, proved through supporting qualification documents in such fields.

The Audit and Valuation Committee must have the qualifications required by law in the area in which the Fund, as the audited entity, operates. The Chairperson of the Audit and Valuation Committee should be an independent non-executive member, being appointed by the members of the Audit and Valuation Committee or by the Board of Nominees.

### Composition of the Audit and Valuation Committee

As at 31 December 2021, the structure of the Audit and Valuation Committee was the following:

<u>Name</u>	<u>Position</u>	<u>Mandate expiring on</u>
Mr. Ciprian Lăduncă	Chairperson	16 November 2023
Mrs. Ilinca von Derenthall	Member	26 November 2023
Mr. Nicholas Paris	Member	6 April 2024
Mr. Ömer Tetik	Member	6 April 2024

During 2021, there were five (5) meetings of the Audit and Valuation Committee, as follows:

- **2 February 2021 – meeting** (Members of the AVC joining the meeting: Mr. Julian Healy – Chairperson, Mr. Piotr Rymaszewski, Mr. Ciprian Lăduncă, and Mrs. Ilinca von Derenthall)
- **22 February 2021 – video conference call** (Members of the AVC joining the meeting: Mr. Julian Healy – Chairperson, Mr. Piotr Rymaszewski, Mr. Ciprian Lăduncă, and Mrs. Ilinca von Derenthall)
- **14 July 2021 – video conference call** (Members of the AVC joining the meeting: Mr. Ciprian Lăduncă – Chairperson, Mr. Mark Gitenstein, Mrs. Ilinca von Derenthall, Mr. Nicholas Paris and Mr. Ömer Tetik)
- **30 September 2021 – meeting** (Members of the AVC joining the meeting: Mr. Ciprian Lăduncă – Chairperson, Mrs. Ilinca von Derenthall, Mr. Nicholas Paris, and Mr. Ömer Tetik)
- **16 December 2021 – video conference call** (Members of the AVC joining the meeting: Mr. Ciprian Lăduncă – Chairperson, Mr. Mark Gitenstein, Mrs. Ilinca von Derenthall, Mr. Nicholas Paris, and Mr. Ömer Tetik)

### ➤ *Overview of the activity performed by the Nomination and Remuneration Committee of Fondul Proprietatea during 2021*

#### **Introduction**

A permanent Nomination and Remuneration Committee composed of five Board of Nominees members was established at the level of Fondul Proprietatea, to provide assistance to the governing bodies of the Fund in the area of nomination and changes in remuneration, being independent from the Fund Manager.

The responsibilities of the Nomination and Remuneration Committee are:

- drafting an annual activity report for the evaluation of its activity,
- analysing the reasons for which the changing of the Fund Manager is required, if necessary, and enfoldng the process for the appointment of a temporary Fund Manager, if the Fund Manager is removed from its position.
- elaborating a remuneration policy,
- presenting to the Board of Nominees an analysis regarding the implementation of the management agreement, and proposals regarding the remuneration of the members of the Board of Nominees making sure that these proposals are in accordance with the remuneration policy adopted by Fondul Proprietatea;
- leading the process for Board appointments and making recommendations to the Board.

For the fulfilment of its responsibilities, the Committee shall adopt proposals and recommendations and submit them for implementation to the Sole Director of Fondul Proprietatea and to the Board of Nominees.

The Committee will have the obligation to present reports to the Board of Nominees periodically or on the terms established by the Board of Nominees.

The Nomination and Remuneration Committee shall assist the Fund Manager in fulfilling its responsibilities.

The Nomination and Remuneration Committee consists only of members of the Board and should be composed of at least three members. The majority of the members of the Nomination and Remuneration Committee should be independent.

### *Composition of the Nomination and Remuneration Committee*

As of 31 December 2021, the structure of the Nomination and Remuneration Committee was the following:

<b>Name</b>	<b>Position</b>	<b>Mandate expiring on</b>
Mr. Nicholas Paris	Chairperson	6 April 2024
Mrs. Ilinca von Derenthall	Member	26 November 2023
Mr. Ciprian Lăduncă	Member	16 November 2023
Mr. Ömer Tetik	Member	6 April 2024

During 2021, there were seven (7) meetings of the Nomination and Remuneration Committee, as follows:

- **22 February 2021 – video conference call** (Members of the NRC joining the meeting: Mr. Piotr Rymaszewski – Chairperson, Mr. Mark Gitenstein, Mr. Julian Healy, Mrs. Ilinca von Derenthall, and Mr. Ciprian Lăduncă)
- **12 April 2021 – ad-hoc video conference call** (Members of the NRC joining the meeting: Mrs. Ilinca von Derenthall – Chairperson, Mr. Mark Gitenstein, and Mr. Ciprian Lăduncă)

- **14 May 2021 – video conference call** (Members of the NRC joining the meeting: Mr. Nicholas Paris – Chairperson, Mr. Mark Gitenstein, Mr. Ciprian Lăduncă, Mrs. Ilinca von Derenthall, and Mr. Ömer Tetik)
- **14 June 2021 – video conference call** (Members of the NRC joining the meeting: Mr. Nicholas Paris – Chairperson, Mr. Mark Gitenstein, Mr. Ciprian Lăduncă, Mrs. Ilinca von Derenthall, and Mr. Ömer Tetik)
- **14 July 2021 – video conference call** (Members of the NRC joining the meeting: Mr. Nicholas Paris – Chairperson, Mr. Mark Gitenstein, Mr. Ciprian Lăduncă, Mrs. Ilinca von Derenthall, and Mr. Ömer Tetik)
- **9 August 2021 – ad-hoc video conference call** (Members of the NRC joining the meeting: Mr. Nicholas Paris – Chairperson, Mr. Mark Gitenstein, Mr. Ciprian Lăduncă, Mrs. Ilinca von Derenthall, and Mr. Ömer Tetik)
- **12 November 2021 – video conference call** (Members of the NRC joining the meeting: Mr. Nicholas Paris – Chairperson, Mr. Mark Gitenstein, Mr. Ciprian Lăduncă, Mrs. Ilinca von Derenthall, and Mr. Ömer Tetik)

## II. THE OPINION OF THE BOARD OF NOMINEES REGARDING ANNUAL REPORT FOR THE YEAR END 31 DECEMBER 2021:

### *ANNUAL ACTIVITY REPORT PRESENTED BY THE FUND MANAGER*

This section provides an overview on the main elements of the Fund’s financial position and performance for the financial year ended 31 December 2021.

#### Statement of Financial Position

RON million	31 December 2021	31 December 2020
	Audited	Audited
Cash and current accounts	68.2	34.4
Deposits with banks	347.4	660.0
Government bonds	77.1	380.3
Equity investments	12,577.7	9,246.7
Non-current assets held for sale	1,135.20	-
Other assets	0.3	0.6
<b>Total assets</b>	<b>14,205.9</b>	<b>10,322.0</b>
Payables	38.8	19.8
Other liabilities	409.6	35.3
<b>Total liabilities</b>	<b>448.4</b>	<b>55.1</b>
Total equity	13,757.5	10,266.9
<b>Total liabilities and equity</b>	<b>14,205.9</b>	<b>10,322.0</b>

Source: IFRS financial statements

**The cash and cash equivalents (liquid assets)** of the Fund in 2021, included term deposits with banks and government bonds issued by the Ministry of Public Finance of Romania. All instruments are denominated in RON and have maturities of up to one year.

The decrease in **liquid assets** by 54.2% during 2021 are due to the cash outflows related to the two dividend distributions paid to shareholders in June and August 2021, net of by the cash inflow from the collections of dividends from portfolio companies.

**Payables** have increased by 95.5% compared to 31 December 2020 mainly due to the increase of the management fee accrual to be paid for a three-month period (RON 22.8 million at December 2021 compared to RON 16.5 million at December 2020). This increase is mainly due to higher market price of the Fund's shares in the October – December 2021 period, compared to October-December 2020, due to the distribution fee accrual for the special dividend distribution approved by shareholders on 15 December 2021, and as a result of the additional fee recorded for the share price discount to NAV that varied between less than 15% and between 15% to 20%, for both shares and GDRs in all trading days. The increase is also due to the fact that at 31 December 2021, the payable related to the tax on dividends due to State Budget for the 15 December approved dividend distribution was not yet paid (RON 11.1 million).

**Other liabilities** have significantly increased compared to 31 December 2020 as can be seen in the table above, due to the increase of the amounts payable to shareholders generated by the third special dividend distributions approved on 15 December 2021 (Payment date: 18 February 2022).

As at 31 December 2021, the Fund reclassified, in accordance with IFRS 5 requirements, part of the holding in OMV Petrom SA subject to a bookbuild offering (2,275 million shares), as **non-current assets held-for-sale**. Please see *Subsequent Events* section for additional events.

There were no assets in the Fund's portfolio classified as non-current assets held for sale in 2020 and 2019.

The net increase in **equity investments** of RON 3,331.0 million during the 2021 was principally generated by:

- the increase in the value of unlisted holdings by RON 3,975.7 million following the valuation update process at the end of the year, mainly generated by the increase in value for Hidroelectrica SA (total impact RON 3,912.0 million);
- the positive evolution of OMV Petrom SA share price (only for holding classified as equity investments), the largest listed holding (total impact RON 228.8 million, share price increase of 37.3%).

## Statement of Comprehensive Income

RON million	2021 Audited	2020 Audited
Gross dividend income	655.1	1,218.7
Unrealised gain from equity investments at fair value through profit or loss	4,591.1	329.6
Unrealised loss from equity investments at fair value through profit or loss	(135.4)	(1,432.8)



RON million	2021 Audited	2020 Audited
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	-	56.3
Interest income	13.7	14.0
Other income, net*	0.9	3.0
<b>Net operating (loss)/ income</b>	<b>5,125.4</b>	<b>(10.1)</b>
Administration fees recognised in profit or loss	(84.0)	(55.2)
Other operating expenses	(22.6)	(27.1)
<b>Operating expenses</b>	<b>(106.6)</b>	<b>(82.3)</b>
Finance costs	(0.1)	(0.1)
<b>(Loss)/ Profit before income tax</b>	<b>5,018.7</b>	<b>(92.5)</b>
Income tax expense	(6.1)	(10.5)
<b>(Loss)/ Profit for the year</b>	<b>5,012.6</b>	<b>(103.0)</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>5,012.6</b>	<b>(103.0)</b>

Source: IFRS financial statements

\* Other income, net included mainly the net gain/ (loss) from revaluation of government securities at fair value, net foreign exchange gain/ (loss), annual income from the depositary bank of the Fund's GDRs and other operating income/ (expenses).

**Gross dividend income** for year end 2021 included the dividend income earned from the Fund's portfolio companies, mainly from Hidroelectrica SA (RON 456.0 million) and OMV Petrom SA (RON 122.8 million).

**Unrealised gain from equity investments at fair value through profit or loss** for 2021 of RON 4,591.1 million was generated by the positive change in fair value of part of the Fund's holdings as a result of the year end valuation, mainly due the increase in value for Hidroelectrica SA (unrealised gain of RON 3,911.6) and by the positive evolution of OMV Petrom SA share price, the largest listed holding (unrealised gain of RON 537.1 million).

The **unrealised loss from equity investments at fair value through profit or loss** for 2021 was generated by the negative change in fair value of some of the Fund's holdings as a result of the year end valuation, mainly Alro with RON 32.1 million, E-Distributie Banat SA with RON 27.6 million, and E-Distributie Muntenia SA with RON 21.1. million.

**Interest income** arose from deposits held with banks and from short-term government securities.

Additional details on the **administration fees** for 2021 and comparatives are presented below:

RON million	2021 Audited	2020 Audited
<b>Recognised in profit or loss</b>	<b>84.0</b>	<b>55.2</b>
Base fee	62.0	49.0
Distribution fee for dividends	11.9	4.2
Performance fee	10.1	2.0
<b>Recognised in other comprehensive income</b>	<b>3.3</b>	<b>10.7</b>
Distribution fee for buy-back programmes	3.3	10.7

<b>Total administration fees</b>	<b>87.3</b>	<b>65.9</b>
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Source: IFRS financial statements

The increase in the administration fees in 2021 compared with 2020 was mainly due to:

- increase in base fee mainly as a result of the increase in the Fund's share price on BVB;
- the performance fees recorded during 2021 were determined by the evolution of the Fund's share price discount to NAV, which varied between less than 15% and between 15% to 20%, for both shares and GDRs in all trading days;
- The increase in distribution fees following the three special dividend distributions approved during 2021, whereas there was only one distribution approved during 2020.

### Other operating expenses

The main categories of other operating expenses are detailed in the table below:

<b>RON million</b>	<b>2021</b>	<b>2020</b>
	<b>Audited</b>	<b>Audited</b>
FSA monthly fees	10.6	9.4
Transaction costs	-	5.5
Depository fees	0.6	0.6
Other expenses	11.4	11.6
<b>Other operating expenses</b>	<b>22.6</b>	<b>27.1</b>

Source: IFRS financial statements

In 2021, **other expenses** caption comprised mainly legal and litigation assistance expenses, Board of Nominees remuneration and related expenses, portfolio valuation expenses, expenses with external audit, investor relations expenses and PR expenses.

**The Board of Nominees has reviewed the financial information and related statements set out above and is satisfied that they correctly reflect in all material aspects the activity of the Fund during 2021.**

### *OPINION OF THE EXTERNAL AUDITORS*

The Board of Nominees has reviewed Deloitte's audit report, which is presented together with the statutory financial statements. The Board has had the opportunity to discuss the report in detail with Deloitte.

The audit opinion contains an unqualified audit opinion on the Fund's annual financial statements for the year ended 31 December 2021.

The key audit matters included in the audit report are valuation and accounting of equity investments.

### **Profit Appropriation Proposal**

As per these annual financial statements, prepared in accordance with the IFRS, the Fund recorded a net profit for the financial year ended 31 December 2021 of RON 5,012,644,707. The Fund's Sole Director proposal, subject for shareholders' approval in accordance with the legislation in force, for the appropriation of the net accounting profit for the 2021 financial year in an amount of RON 5,012,644,707 is as follows:

- RON 133,041,538 to legal reserves;

- RON 777,032,797 to dividends;
- RON 230,576,693 to other reserves;
- RON 3,871,993,679 unallocated profit that remains available to the Fund's shareholders.

### Coverage of the Negative Reserves

The Fund recognises the treasury shares (repurchases of own shares and/or Global Depository Receipts ("GDRs")) at trade date as a deduction to shareholders' equity, in an equity reserve account. Treasury shares are recorded at acquisition cost, including brokerage fees, distribution fees and other transaction costs directly related to their acquisition.

Upon completion of all legal and regulatory requirements (i.e. registration of the share capital decrease with the Trade Registry being the last one, marking also the moment when the cancellation becomes effective), the treasury shares are cancelled and netted off against the share capital and/ or other reserves. The details on the accounting treatment to be applied for the registration and cancellation of treasury shares can be found in the FSA Norm 39/ 2015, article 75.

At the cancellation date, only a reallocation between the equity accounts is booked, without any impact on profit or loss or an additional total shareholders' equity decrease (as compared to the acquisition impact).

A negative reserve (equity element) arises upon cancellation of the shares acquired in a buy-back programme, if the acquisition value (trade price and related costs) is higher than the nominal value. However, as mentioned before, this does not generate an additional shareholder's equity decrease.

The accounting treatment applicable for the recording and cancellation of treasury shares is based on the provisions of the Financial Supervisory Authority Norm 39/ 2015, article 75.

The total negative reserves of RON 236,026,121, recorded by the Fund as at 31 December 2020, were related to the cancellation of the shares acquired within the tenth buy-back programme.

During the 28 April 2020 Annual GSM, shareholders approved the allocation of RON 236,026,121 from the 2019 audited profit to other reserves, in order to be available for covering the related negative reserves. During the 28 April 2021 Annual GSM, shareholders approved the coverage of the negative reserve using the amount of RON 236,026,121 allocated to other reserves specially for this purpose, according to the resolution of the 28 April 2020 GSM.

During the 28 April 2021 Annual GSM, shareholders approved the cancellation of the 797,961,287 treasury shares repurchased within the eleventh buy-back programme, and also the allocation to other reserves of RON 671,941,938 from retained earnings and reserves resulted from distributions for which the statute of limitation occurred, and from the 2017-2019 financial year retained earnings, in order to be available for covering the related negative reserve. The negative reserve was booked on completion of all cancellation required legal steps, while the actual coverage of this negative reserve using the amount of RON 671,941,938 transferred to other reserves will be submitted for shareholders' approval during the 2022 Annual shareholders' meeting.

The table below shows the changes in the negative reserves recorded during the year ended 31 December 2021:

<i>All amounts in RON</i>	
<b>Opening balance of the negative reserve as at 1 January 2021 (audited)</b>	<b>236,026,121</b>
Coverage of the negative balance existing as at 31 December 2020 from other reserves, according to Resolution no.5 of 28 April 2021 Ordinary General Shareholders' Meeting	<b>(236,026,121)</b>

Negative equity reserve arising on the cancellation of shares acquired during the 11th buy-back programme (recorded on 25 October 2021) according to share capital decrease Resolution no. 3 of 28 April 2021 Extraordinary General Shareholders' Meeting	<b>671,941,938</b>
<b>Closing balance of the negative equity reserve at 31 December 2021 (audited)</b>	<b>671,941,938</b>

Source: Fondul Proprietatea

The table below shows additional details on the estimated negative reserve that will arise upon the cancellation of the treasury shares in balance, as at 31 December 2021:

<b>Negative reserve that would arise on cancellation of the treasury shares in balance as at 31 December 2021</b>		<b>Buy-back programme 12</b>
Number of shares to be cancelled	(1)	194,371,754
Total costs (including transaction costs and other costs), representing the accounting value of the shares to be cancelled in the future (RON)	(2)	331,650,005
Correspondent nominal value (NV = RON 0.52 per share) (RON)	(3)=(1)*NV	101,073,312
<b>Estimated negative reserve to be booked on cancellation (RON)</b>	<b>(4)=(3)-(2)</b>	<b>(230,576,693)</b>

Source: Fondul Proprietatea

During the 20 April 2022 Annual GSM, the Fund's Sole Director will propose the cancellation of the 194,371,754 treasury shares repurchased within the twelfth buy-back programme and would also recommend shareholders to allocate RON 230,576,693 from 2021 accounting profit to other reserves in order to be available for covering the related negative reserve. The actual coverage of this negative reserve using the amount of RON 230,576,693 transferred to other reserves will be subject to shareholders' approval during the annual shareholders' meeting subsequent to the completion of all cancellation steps.

### **2021 BUDGET COMPARED TO ACTUAL RESULTS**

The Board of Nominees asked the Fund Manager to analyse the significant variances in the main categories of income and expenses of Fondul Proprietatea by comparing the budget for the year ended 31 December 2021 (approved by shareholders on 13 November 2020) to the audited actual results for the same period.

The result of this analysis has been reviewed by the Board of Nominees, which is satisfied with the explanations given for any significant variances.

Together with the approval of 2021 Budget in November 2020, the shareholders granted the Fund Manager the power to:

- exceed the expenses budgeted for investment management and administration fees;
- exceed the expenses budgeted for commissions and fees (FSA fees and Depository bank fees), to the extent arising from the Fund's actual average NAV, the value of assets under custody and/ or

volume of portfolio and buy-backs trades in 2020 being higher than the ones assumed in the 2020 Budget;

- incur on behalf of the Fund all expenses necessary (e.g. intermediary fees of brokers or investment banks, market authorities' fees, lawyers, public notaries, other advisors' costs, as well as other related expenses, commissions or fees) related to the execution of acquisitions and disposals of equity investments or participation in share capital increases of portfolio companies;
- incur on behalf of the Fund all expenses related to the buy-back of the Fund's shares or the equivalent global depositary receipts corresponding to shares of the Fund and their subsequent cancelation (after the approval by shareholders), under any buy-back programme approved by shareholders;
- incur on behalf of the Fund any expenses related to bank loans/ credit facilities contracted by the Fund, with Board of Nominees approval;
- incur on behalf of the Fund any expenses related to the potential change of the Fund Manager and Sole Director of the Fund (expense incurred by the Board of Nominees);
- incur on behalf of the Fund any expenses resulting from the implementation of any regulation applicable to the Fund.

even if this will result in exceeding the total expenses approved in the 2021 Budget.

During the year end 31 December 2021, the actual expenses from current activity were RON 106.3 million and exceed the budgeted expenses of RON 82.7 million. The negative variance is mainly due to the investment management and administration fees, for which, together with the approval of 2021 Budget in November 2020, the shareholders granted the Fund Manager the power to exceed the expenses budgeted.

The BON noted that the detail analysis of the 2021 Budget vs Actual Analysis is presented in the Funds 2021 Annual Report. For more details, please see Fund' s *2021 Annual Report - Annex 6 Actual versus Budget Analysis for 2021*.

### **III. PORTFOLIO INVESTMENT OF THE FUND:**

#### ***BOARD OF NOMINEES OPINION REGARDING THE INVESTMENT POLICY OF THE FUND AND THE DEGREE OF COMPLIANCE WITH THE INVESTMENT POLICY AND ANY CHANGES AND ACTIONS THAT LEAD TO TARGETED RESULTS***

The investment objective of the Fund is the maximization of returns to shareholders and the increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities. Details of the investment policy can be found in the Investment Policy Statement and Constitutive Act.

**The Board of Nominees considers that during 2021 the Fund Manager was in compliance with the applicable investment policy adopted by the Fund.**

#### ***BOARD OF NOMINEES OPINION REGARDING PORTFOLIO INVESTMENTS AND THE PERCENTAGE REPRESENTED BY EACH TYPE OF INVESTMENT AT THE END OF 2021***

The Board holds frequent and detailed discussions on managing the Fund to maximize shareholder value. This includes developing a consistent approach for appropriate actions aimed at reducing the discount at which the Fund's shares and GDRs are traded on the Bucharest Stock Exchange and the London Stock Exchange, respectively. In particular, the Board noted that there was a decrease in the discount and the Board continues to be supportive of the implementation of various Discount Control Mechanism techniques including daily buyback programmes, tender offers, returns of capital and dividends. The Board also discusses at its meetings with the Fund Manager potential strategies for unlocking the value of the individual unlisted investments. However, past performance is not a guarantee of future performance which can be influenced by various factors, as set out by the Fund Manager in the Performance Report.

### ***BOARD OF NOMINEES OPINION REGARDING THE SIGNIFICANT TRANSACTIONS OF THE FUND FOR 2021***

During 2021, the Fund contributed to the share capital increases of some portfolio companies, as follow:

- On 12 November 2020, the Fund subscribed to the share capital increase of Hidroelectrica SA with a cash contribution of RON 415,110, which was effective on 15 January 2021, at the registration date with the Romanian Trade Register.
- On 18 February 2021, the Fund subscribed to the share capital increase of Societatea Nationala a Sarii SA with a cash contribution of RON 55,720, which was effective on 24 August, the date of registration with the Romanian Trade Register.
- In June 2021, the Fund subscribed to the share capital increase of Zirom SA with a cash contribution of RON 10 million which was effective on 30 June 2021, the date of registration with the Romanian Trade Register.
- On 12 December 2021, the Fund subscribed to the share capital increase of Hidroelectrica SA with a cash contribution of RON 23,970, which will be effective at the registration date with the Romanian Trade Register.

The Board of Nominees considers that these transactions were performed in the interest of the shareholders.

### ***Process for share capital increase of CN Aeroporturi Bucuresti***

CN Aeroporturi Bucuresti called through the convening notice published in the Official Gazette of Romania Part IV no. 3873/20.09.2021 a General Shareholders Meeting that took place on 25 October 2021 for the approval 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. The proposed value for the share capital increase was initially RON 3,814,809,171. This is the third time the process to increase the share capital is initiated since 2001, when Baneasa Airport received the land ownership certificates.

On 26 October 2021 (the second call for the shareholders' meeting) the share capital increase was approved with only the Romanian State voting in favour, as follows:

- The share capital increase approved was for RON 4,768,511,460;
- RON 3,814,809,170 represents in kind contribution of Romanian State calculated as the value of the land parcels as evaluated by the valuer appointed by Trade Register;

- The amount of RON 953,702,290 represents the value of shares offered to be subscribed by Fondul Proprietatea for maintaining 20% participation from share capital. The preference rights may be used by the Fund within 60 days calculated starting with date when the shareholders resolution is published in 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 being already considered to be completed);
- If the Fund will not subscribe, the unsubscribed shares will be cancelled.

Fondul Proprietatea expressed its opinion strongly disputing the fundamentally flawed land valuation report, as the land valuation report carried out in 2021 attributes a very high value to the land, despite a previously approved valuation report from 2017, which had set the value of the same land at RON 269 million.

Fondul Proprietatea started court cases for the annulment of the shareholders resolution, and for the suspension of the entire process until the claim for annulment case is irrevocably closed, to protect the interest of the Fund and its shareholders.

Following the hearing that took place on 13 January 2022, the Bucharest Court of Appeal admitted the request of suspension filed by the Fund and ordered the suspension of the effects of the increase until the claim for the annulment of the CNAB EGSM is irrevocably settled.

### ***Restructuring Plan of Complexul Energetic Oltenia S.A (CE Oltenia) and related roadmap***

On 22 October 2021 during the GSM of CE Oltenia, shareholders approved the partial coverage of the accumulated accounting losses registered by CE Oltenia as of 31 December 2020, proportionally by all shareholders of the company. The accounting losses in the amount of RON 1 billion will be covered by reducing the share capital from RON 1,270,318,090 to RON 270,318,090, respectively from 127,031,809 shares to 27,031,809 shares, with a nominal value of RON 10.00 each. The share capital decrease operation is effective starting with 19 January 2022, the registration with the Romanian Trade Register. Following the share capital decrease operation, the Fund will maintain its 21.559% stake holding, but the number of shares decreased from 27,031,809 shares to 5,828,033 shares, with a total nominal value of RON 58,280,330.

On 25 November 2021 during the GSM of CE Oltenia, the majority shareholder voted for the approval to start the operation to increase the share capital of Complexul Energetic Oltenia S.A. with the value of the lands for which property rights certificates were obtained and to request the Trade Register Office for the appointment of one or more experts to evaluate these assets. The plots of land subject to the share capital increase will be used by the company to develop the new investments according to the commitments assumed through the Restructuring Plan.

During January 2022, The European Commission has approved Romania's plans to grant CE Oltenia a restructuring aid for up to EUR 2.66 billion (RON 13.15 billion). The measure will enable the company to finance its Restructuring Plan and restore its long-term viability.

The implementation of the Restructuring Plan will lead to the need to operate capital increases, both in cash as well as with the value of lands that will be used by CE Oltenia to develop the new investments.

Considering its current investment strategy, Fondul Proprietatea does not intend to participate in these capital increases.

Presumably, as a result of the capital increases, the participation of Fondul Proprietatea in CE Oltenia will be diluted at around 5% according to Fondul's current estimates.

In order to carry out the share capital increase with the value of the lands that will be contributed by CE Oltenia in the new investments, a change in the current legislation would be needed so that the evaluations of all the lands with which the capital increase would be carried out can be realized at fair value.

#### *CN Administratia Porturilor Maritime*

On 9 February 2022 during the GSM of CN Administratia Porturilor Maritime, the majority shareholder approved the increase of share capital from RON 132,906,430 to RON 323,311,340, respectively with the amount of RON 190,404,9210, through incorporation of part of reserves. The Fund will maintain its stake holding, as new shares issued are distributed proportionally to existing shareholders.

#### **BOARD OF NOMINEES OPINION REGARDING KEY PORTFOLIO VALUATIONS DURING THE PERIOD**

The Fund Manager updated the valuations reports for 19 unlisted holdings which are the basis of the companies' valuations, representing 100% of the unlisted portfolio. KPMG Advisory and Darian DRS were selected to assist during the valuation process.

The valuation date was 31 October 2021, but the valuations considered the related subsequent events until 31 December 2021, such as dividends declared, changes in legislation. The valuation report for Alcom SA was also updated for year-end reporting.

The total impact following the valuation update process was an increase of RON 1,340.7 million of the 31 December 2021 NAV compared to the 30 September 2021 NAV, mainly related to Hidroelectrica SA.

The full list of valuation reports impact for 2021 is included in Annex 1.

In terms of listed holdings, the most significant impact relates to OMV Petrom SA share price increase by 37.3% (positive impact of RON 537.1 million during the period).

**The Board of Nominees considers that the valuations were carried out in accordance with appropriate valuation methodology and international standards.**

#### **IV. BOARD OF NOMINEES OPINION REGARDING THE ANNUAL REPORT OF THE INTERNAL AUDITORS AND THE ANNUAL COMPLIANCE REPORT**

The Board of Nominees has reviewed the internal audit reports prepared by Fondul Proprietatea's internal auditor, Mazars and been informed about the internal audit performed by Franklin Templeton Investments Internal Audit team, for the year ended 31 December 2021.

The overall objective of the report of the internal auditors was to assess whether the key risks relating to Fondul Proprietatea's operations are being managed in an appropriate manner and in compliance with applicable regulatory requirements and FTI policies and procedures.



The reports have not identified any major deficiencies regarding the design and effectiveness of controls which were subject to the internal audit work.

The Board of Nominees received and reviewed the Annual Compliance Report prepared by the local compliance officer, addressing the management of the compliance risk within the company / fund.

The compliance report covered the activities performed by Franklin Templeton Investment Management Limited UK Bucharest Branch and Fondul Proprietatea in respect of compliance with applicable local rules and regulations and internal procedures.

No material compliance exceptions have been reported in 2021.

**In the opinion of the Board of Nominees, both the Annual Report of the Internal Auditors and the Annual Compliance Report have been prepared to an adequate standard.**

## V. THE GENERAL EVALUATION OF THE ACTIVITY OF THE FUND MANAGER FOR 2021

Some of the key highlights for 2021 are:

- Completion of the twelve buy-back programme for 194.37 million shares. The total value of the programme excluding transaction costs was RON 328.05 million, and the average share price was RON 1.6878 per share;
- First special gross dividend distribution of RON 427.1 million to shareholders;
- Second special gross dividend distribution of RON 413.5 million to shareholders;
- Continued efforts to promote the Fund and raise its visibility, as well as the visibility of the Romanian capital market, the local companies (listed or candidates for being listed), and of Romania in general, in online conferences and events;
- Key shareholders' approvals during 2021:
  - The approval of several changes to the Constitutive Act ;
  - The appointment of two new Board of Nominees members;
  - The cancellation of shares bought-back by the Fund during 2020;
  - The distribution of a gross special dividend of RON 0.0720 payable starting 22 June 2021, as proposed by the Sole Director;
  - The distribution of a gross special dividend of RON 0.07 payable starting 27 August 2021, as proposed by the Sole Director;
  - The approval of the renewal of the mandate for a duration of two years starting with 1 April 2022;
  - The approval of the Investment Policy Statement, in force starting 1 April 2022;
  - The approval of a RON 0.06 per share special gross distribution payable starting 18 February 2022;
  - The approval of the thirteenth buy-back programme to repurchase a maximum number of 800 million shares, between 1 January 2022 - 31 December 2022.

**The Board of Nominees considers that the actions taken by the Fund Manager and Investment Manager to try to increase the NAV per share and lower the discount level were appropriate and consistent with the interests of the Fund's shareholders.**

## **VI. RECOMMENDATIONS FOR SHAREHOLDERS:**

In view of the proposed points of the agenda of the annual GSM, the Board of Nominees recommends to shareholders that they approve all the proposals of the Fund Manager submitted to this meeting.

Please note that this report is the annual report of the Board of Nominees prepared on the basis of Article 17 of the Constitutive Act of Fondul Proprietatea.

*The Board of Nominees*  
**REVIEW REPORT**

Pursuant to the Management Agreement in place starting with 1 April 2020 (“**Management Agreement**”) in force for reporting period, the Fund Manager is obliged to submit to the Board of Nominees a report on its performance and of its Fund Manager (as defined below) (“**Performance Report**”).

The reporting period covered by the Performance Report was 1 January 2021 - 31 December 2021 (the “**Reporting Period**”).

The Performance Report should include:

- a) reporting on the fulfilment of the Discount Objective as defined in the Investment Policy Statement (“**IPS**”);
- b) reporting on the fulfilment of the NAV Objective, as defined in the IPS;
- c) reporting on the fulfilment of obligations regarding Discount Control Mechanisms (“**DCM**”);
- d) a summary of the regulatory issues affecting the performance during the Reporting Period;
- e) a summary of market conditions affecting the performance during the Reporting Period;
- f) such other matters as the Fund Manager wishes to bring to the attention of the shareholders in relation to its activities and performance in the relevant period.

The Fund Manager presented its Performance Report to the NRC and BoN during meetings that took place on 24 February 2022.

In accordance with its obligations under clause 9.6 of the Management Agreement in force, the BoN has reviewed the Performance Report and is submitting this Review Report for the information of shareholders of the Fund at their annual meeting on 20 April 2022. This Review Report covers the contents of the Performance Report and an evaluation of the performance of the Fund Manager, as well as any other factors considered relevant by the BoN to the decision of the shareholders at the GSM regarding the continuation or termination of the Management Agreement and the Fund Manager’s mandate.

## **1) CONTENTS OF THE PERFORMANCE REPORT**

The BoN considers that the Performance Report has been prepared with due care and contains all material relevant information.

## **2) EVALUATION OF THE FUND MANAGER’S PERFORMANCE**

### *The Discount Objective*

As set out in the Performance Report, the Discount range for the Fund during the Reporting Period was (19.76)% – 5.25% closing the year at 3.83%. The Discount Objective, as defined in the IPS, is to achieve a discount level of less than 15% during at least than 2/3 of the trading days in the Reporting Period.

In the period between 1 January 2021 and 31 December 2021, the share price discount to NAV varied between lower than 15% and between 15% - 20% for both shares and GDRs in all trading days. Also, the Fund's shares traded on BVB at a premium in 40 days. The average Discount for the Reporting Period was 5.69 %.

The Discount Objective has, therefore, been achieved.

During the Reporting Period, the Fund Manager undertook a number of actions aimed at reducing the Discount level and increasing demand for the Fund's shares. These actions are described on pages 12 of the Performance Report and include the distribution of RON 1.17 billion to shareholders through special dividend distributions and buy-backs, as set out on pages 14 and 15 of the Performance Report. The BoN supports these efforts by the Fund Manager to address the Discount level and increase demand for the Fund's shares. The BoN believes in employing diverse instruments to create liquidity for making cash distributions (including proceeds from portfolio disposals and dividends received from investee companies and the prudent use of a credit facility). The BoN continues to encourage the Fund Manager to make increased efforts to convert liquid portfolio investments into cash, given the Fund's persistent deep discount.

### *The NAV Objective*

As set out in the Performance Report, the Adjusted NAV per share (as defined in the IPS) as at 31 December 2021 was RON 2.4689 and was higher than the NAV per share as at 31 December 2020, which was RON 1.6974.

The NAV Objective, as defined in the IPS, is to ensure that the Adjusted NAV per share at the end of the Reporting Period was higher than the NAV per share as at the end of the previous reporting period (i.e. 31 December 2020) and this has been achieved.

In the Performance Report, the Fund Manager has described factors contributing to the NAV evolution during the Reporting Period and also the most important actions it has undertaken to protect and enhance the value of portfolio companies.

The BoN continues to support appropriate shareholder activism implemented by the Fund Manager on behalf of the Fund at companies in which it has minority stakes and which are controlled by the Romanian State or other dominant investors in order to ensure that the companies are managed for the best interest of the shareholders. The BoN fully agrees with the Fund Manager's robust and consistent approach to corporate governance and its commitment to trying to ensure the recruitment of independent and qualified professional management teams and competent boards of directors at portfolio companies.

### **3) DCM ACTIVITIES**

The BON has noted the account of DCM activities by the Fund Manager, in relation to its obligations under the Management Agreement in force, as set out in the Performance Report.

#### **4) REGULATORY AND MARKET FACTORS AND OTHER MATTERS**

The Performance Report provides summary descriptions of the COVID-19 pandemic as well as other factors (regulatory, market and others) which the Fund Manager considers have had an impact on its performance in seeking to fulfil the two Objectives set out in the IPS. The Fund Manager conducts an on-going detailed analysis of the potential impact of the various sovereign risk factors. The BoN considers that the Fund Manager has set out a fair account of these factors and in appropriate detail and that all of them are relevant and useful for an assessment of the Fund Manager's performance in the Reporting Period.

#### **5) SUMMARY CONCLUSION**

Based on all relevant information available to it, the BoN considers that the Performance Report provides a fair and materially accurate account of the Fund Manager's performance during the Reporting Period in respect of the two above IPS Objectives and in respect of its fulfilment of its obligations as regards DCMs.

The BoN emphasizes that, in accordance with the Management Agreement and IPS in force, the Fund Manager's performance in the Reporting Period is being evaluated in this Review Report against the two above IPS Objectives and as regards its DCM obligations and not as measured against other possible benchmarks such as, for example, Romanian and frontier stock market indices or global stock market indices.

Based on its review of the Performance Report and its regular meetings and interaction with the Fund Manager, the BoN considers that the performance of the Fund Manager has been creditable during the Reporting Period and evaluates the Fund Manager's efforts and actions positively.

**Mrs. Ilinca von DERENTHALL – Chairperson** \_\_\_\_\_

**Mr. Ciprian LĂDUNCĂ – Member** \_\_\_\_\_

**Mr. Nicholas PARIS – Member** \_\_\_\_\_

**Mr. Ömer TETIK – Member** \_\_\_\_\_

## Annex 1

### Table of portfolio holdings valuation at 31 December 2021 vs. 31 December 2020

No.	Portfolio company	Value in 31 Dec 2021 IFRS financial statements (RON million)	Value in 31 Dec 2020 IFRS financial statements (RON million)	Difference (RON million)	Diff (%)
1	Hidroelectrica SA <sup>1</sup>	9,040.9	5,128.9	3,912.0	76.3%
2	CN Aeroporturi Bucuresti SA	674.2	624.1	50.1	8.0%
3	Engie Romania SA	522.7	538.8	(16.1)	(3.0)%
4	E-Distributie Banat SA	245.1	272.7	(27.6)	(10.1)%
5	CN Administratia Porturilor Maritime SA	294.4	235.8	58.6	24.9%
6	E-Distributie Muntenia SA	206.7	227.8	(21.1)	(9.3)%
7	Societatea Nationala a Sarii SA	216.7	201.2	15.5	7.7%
8	E-Distributie Dobrogea SA	184.0	177.2	6.8	3.8%
9	ENEL Energie SA	61.1	52.5	8.6	16.4%
10	ENEL Energie Muntenia SA	33.1	43.1	(10.0)	(23.2)%
11	Zirom SA	26.2	24.9	1.3	5.2%
12	CN Administratia Canalelor Navigabile SA	15.8	17.8	(2.0)	(11.2)%
13	Posta Romana SA	13.9	13.1	0.8	6.1%
14	Aeroportul International Timisoara - Traian Vuia SA	5.6	6.4	(0.8)	(12.5)%
15	CN Administratia Porturilor Dunarii Maritime SA	4.0	5.2	(1.2)	(23.1)%
16	Aeroportul International Mihail Kogalniceanu - Constanta SA	1.7	2.6	(0.9)	(34.6)%
17	CN Administratia Porturilor Dunarii Fluviale SA	3.7	2.3	1.4	60.9%
18	Plafar SA	2.2	1.9	0.3	15.8%
19	Complexul Energetic Oltenia SA	-	-	-	0.0%
20	Alcom	9.5	8.9	0.6	6.7%
	<b>TOTAL</b>	<b>11,561.5</b>	<b>7,585.20</b>	<b>3,976.3</b>	<b>52.4%</b>

Note:

1. Subsequent to December 2021 NAV publication, the Fund Manager obtained the preliminary results of Hidroelectrica for the full 2021 financial year. As the company's performance for the last quarter had a significant impact, Fondul performed a valuation update of Hidroelectrica with the assistance of KPMG Advisory. The updated valuation report is reflected in the financial statements as of 31 December 2021 and was included in the January 2022 NAV. The valuation date was 31 December 2021 with a new value of RON 9,040.9 million (total impact of the valuation update in the Fund's NAV as at 31 January 2022 resulted in a net increase of RON 512.9 million, an increase in value with 3.87% compared with 31 December 2021).