

A photograph of three business professionals in a meeting. A man on the left is pointing at a laptop screen displaying a bar chart. A man in the middle with glasses is looking at the screen. A woman on the right is also looking at the screen. They are sitting at a table with a coffee cup and a smartphone. The background shows a window with a view of a building.

Fondul Proprietatea – General Shareholders Meeting

16 July 2021



Fund Information

The Fund – Key Facts



Fund Details¹

	RON	USD
NAV	11.43 bn	2.76 bn ²
NAV/Share	1.9309	0.4661 ²
Price/Share	1.8500	0.4466 ²
Price/GDR	93.62 ²	22.60
Market Capitalization as at 30 June 2021	10.95 bn	2.64 bn ³
Discount/Premium per Share as at 30 June 2021		0.77%
Discount/Premium per GDR as at 30 June 2021		(0.64)%
Number of Paid Shares less Treasury Shares ⁴		5,918,548,522
Investment Objective		
Dividend Yield for the RON 0.0720 Dividend/Share ⁵		4.17%
Dividend Yield for the RON 0.0700 Dividend/Share ⁶		3.78%

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 June 2021 Factsheet.

1. As at 30 June 2021. Based on local regulator methodology.

2. Computed using the NBR USD/RON FX rate as at 30 June 2021.

3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 30 June 2021. Computed using the NBR USD/RON FX rate as at 30 June 2021.

4. As at 30 June 2021.

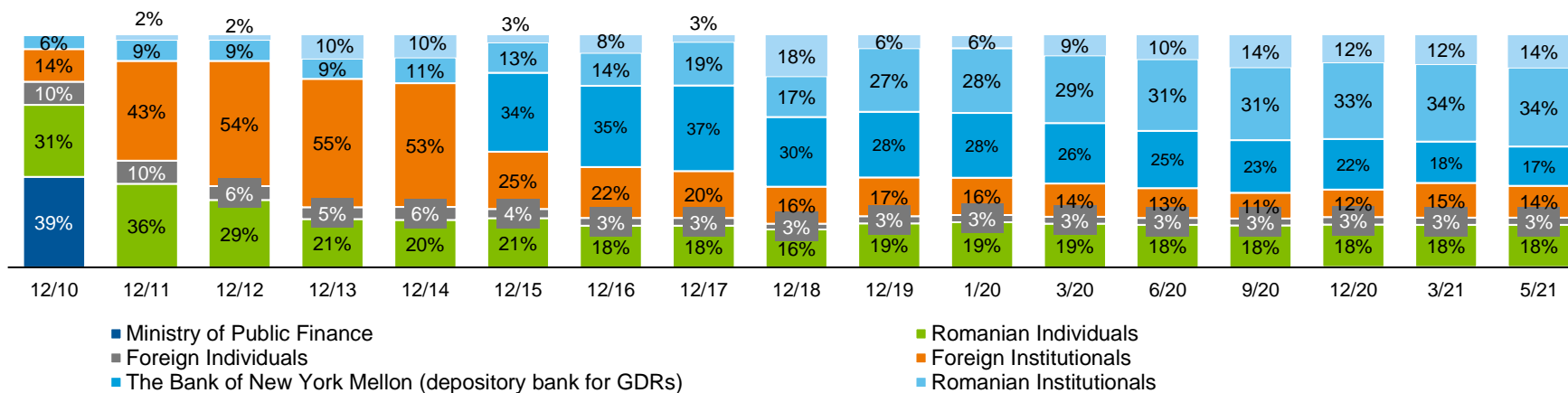
5. Yield calculated based on the FP share price as at 28 May 2021, the Registration date for the RON 0.0720 dividend per share distribution approved by shareholders during the 28 April 2021 GSM.

6. RON 0.0700 dividend per share distribution submitted for shareholders' approval in the 16 July 2021 GSM. Yield calculated based on the FP share price as at 30 June 2021.

Shareholders structure



Evolution (% Held)¹



Largest Shareholders²

NN Group	10.01%
Silver Point Capital Funds	5.07%
Allianz-Tiriac Private Pension Funds	5.05%
Total Number of Shareholders ³	8,575

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

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

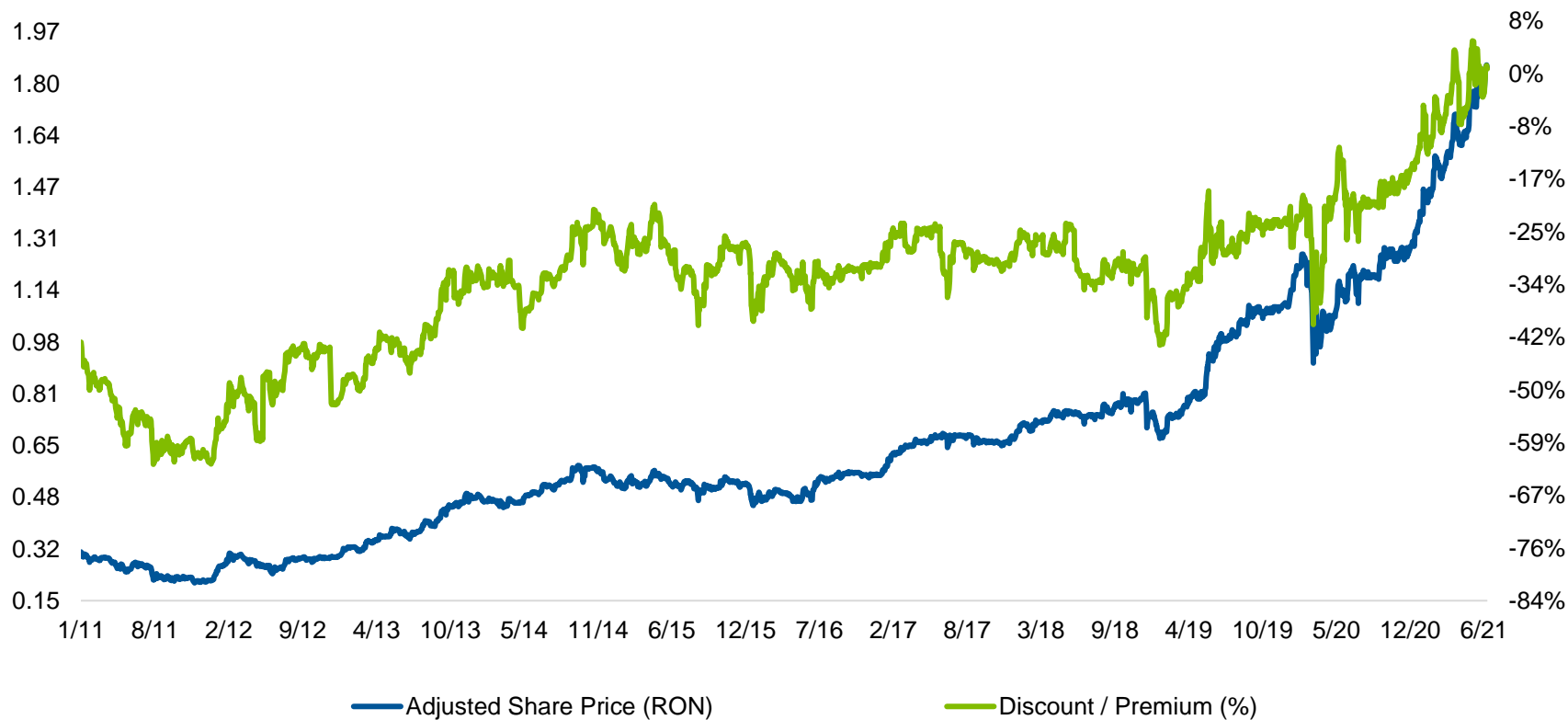
2. Note: Based on the total voting rights. Source: Ownership disclosures submitted by NN Group on 6 March 2020, Allianz-Tiriac Private Pension Funds on 1 July 2019, and Silver Point Capital Funds on 4 May 2021.

3. Source: FP shareholder structure as at 31 May 2021.

FP Market performance



FP Adjusted Share Price (RON) vs. Discount/Premium (%)



Source: Bloomberg and BVB, for the period 4 January – 30 June 2021. Based on the NBR USD/RON FX rate as at 30 June 2021.



Portfolio

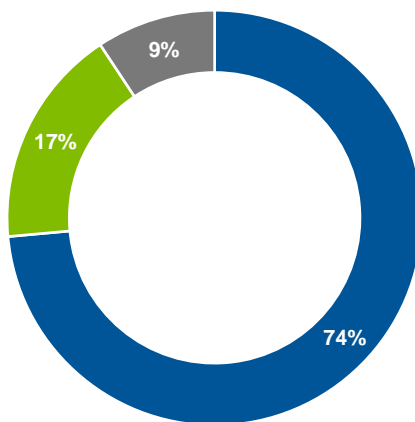
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Current Portfolio Structure



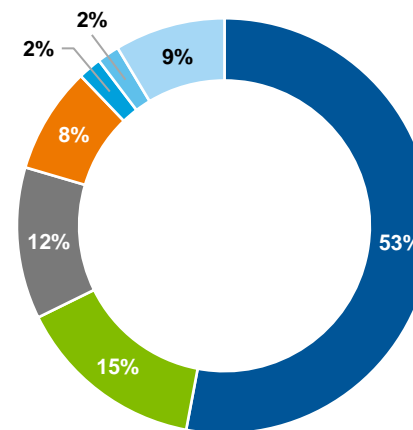
Listed vs Unlisted (% of NAV as at 30 June 2021)¹



■ Unlisted ■ Listed ■ Net Cash & receivables



By Sector (% of NAV as at 30 June 2021)¹



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

- As at 30 June 2021, the portfolio included stakes in 32 companies (6 listed and 26 unlisted)
- The net cash and receivables as at 30 June 2021 was USD 237.0 million².

1. Source: FP June 2021 Factsheet.

2. Source: 30 June 2021 NAV report, based on the NBR RON/USD FX rate as at 30 June 2021.

Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake ¹	NAV as at 30 June 2021 (USD mn)	% in NAV as at 30 June 2021
Hydroelectrica	Unlisted	Romanian State	19.9%	1,457.8	52.8%
OMV Petrom	Listed	OMV	7.0%	406.6	14.7%
Engie Romania	Unlisted	Engie	12.0%	145.8	5.3%
Bucharest Airports	Unlisted	Romanian State	20.0%	142.9	5.2%
Constanta Port	Unlisted	Romanian State	20.0%	63.8	2.3%
E-Distributie Banat	Unlisted	Enel Group	24.1%	60.7	2.2%
E-Distributie Muntenia	Unlisted	Enel Group	12.0%	50.2	1.8%
Alro	Listed	Vimetco N.V.	10.2%	47.9	1.7%
E-Distributie Dobrogea	Unlisted	Enel Group	24.1%	45.5	1.7%
Salrom	Unlisted	Romanian State	49.0%	44.1	1.6%
Top 10 Portfolio Holdings				2,465.2	89.4%
NAV				2,758.9	100.0%
NAV Per Share (USD)				0.4661	

Source: FP June 2021 Factsheet. Note: Values in USD calculated using the NBR USD/RON FX rate as at 30 June 2021.

1. Based on the FP 31 March 2021 Detailed Statement of Investments.

Top 10 portfolio holdings – Key financials

Top 10 Holdings ¹	Net Profit (RON mn)				
	2016	2017	2018	2019	2020
Hidroelectrica	1,227.7	1,296.5	1,939.3	1,386.5	1,443.2
OMV Petrom	1,037.7	2,489.3	4,077.8	3,634.6	1,291.0
Engie Romania	384.9	342.6	428.7	385.2	492.8
Bucharest Airports	224.7	290.7	371.8	359.6	(146.4)
Constanta Port	36.8	79.7	75.7	108.2	130.3
E-Distributie Banat	93.6	82.8	(211.9)	167.7	38.6
E-Distributie Muntenia	151.7	85.9	(114.9)	96.7	111.8
Alro	71.5	391.1	235.3	(67.2)	334.8
E-Distributie Dobrogea	73.5	49.5	(143.3)	87.6	53.7
Salrom	27.4	81.1	76.4	77.0	11.5
Total	3,329.4	5,189.1	6,734.9	6,235.8	3,761.3

Source: Companies' annual financial statements.

1. As at 30 June 2021. Source: FP June 2021 Factsheet.



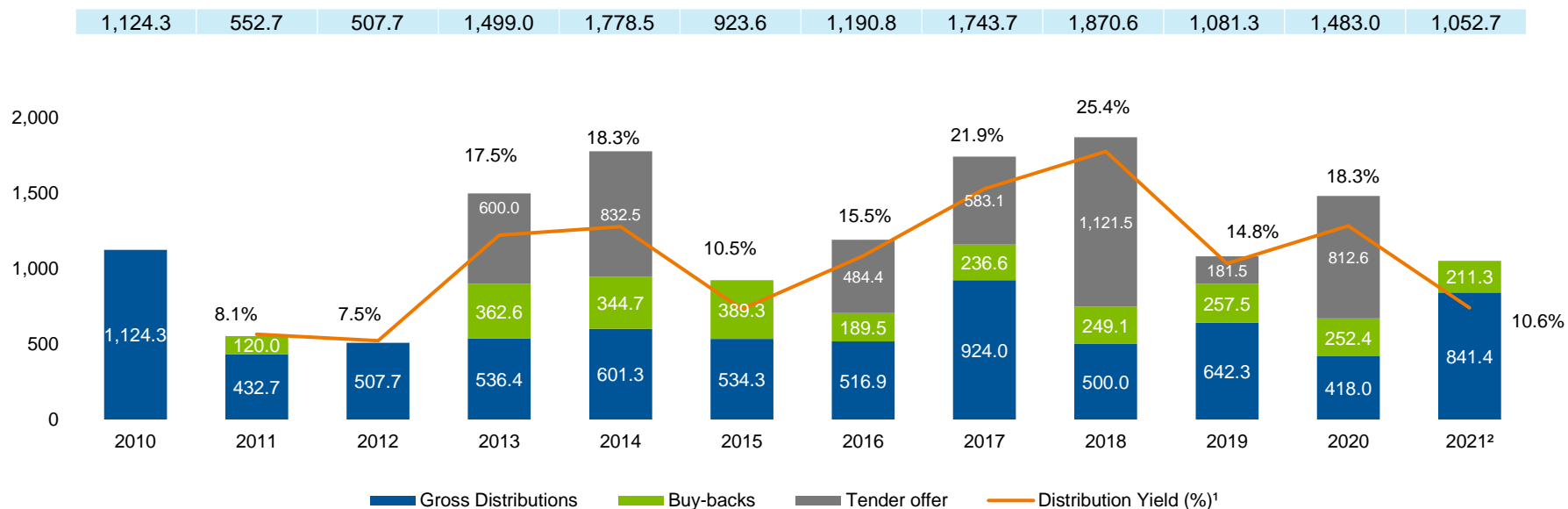
Corporate Actions



Distributions to shareholders



Annual Distributions to Shareholders (RON mn)



The total distributions through buy-backs and cash would amount to RON 14.8 bn/USD 4.0 bn³

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

Note: Values exclude related acquisition fees. USD values based on the NBR average USD/RON FX for each year. For 2021, average NBR FX rate USD/RON as at 30 June.

1. Based on the total annual distributions through buy-backs and cash, the average closing share price on BVB for the respective year, and the average number of paid shares excluding Treasury shares at year-end. For 2021, average closing share price as at 30 June and average number of paid shares excluding Treasury shares as at 30 June.
2. Based on buy-backs as at 30 June, RON 0.072/share special distribution payable starting 22 June, and estimation for the RON 0.070/share special distribution submitted for shareholders' approval in the 16 July 2021 GSM and number of paid shares excluding Treasury shares as at 30 June.
3. As at 30 June 2021.

Special dividend distributions in 2021



RON 0.0720 gross dividend per share¹

RON 0.0700 gross dividend per share²



Main dates related to the RON 0.0720 gross dividend per share distribution¹

- NAV Ex-Date: 29 April 2021
- Share price Ex-Date: 27 May 2021
- Registration Date: 28 May 2021
- Payment Date: 22 June 2021



Main dates related to the RON 0.0700 gross dividend per share distribution²

- NAV Ex-Date: 30 July 2021
- Share price Ex-Date: 5 August 2021
- Registration Date: 6 August 2021
- Payment Date: 27 August 2021

Source: 28 April 2021 Annual GSM Resolutions and 16 July 2021 GSM Documentation.

1. Approved by the Fund's shareholders during the 28 April 2021 Annual GSM.

2. Submitted for shareholders' approval in the 16 July 2021 GSM.

Cash Distributions to Shareholders

Distribution	Financial year	Paid in	Gross Cash distribution (RON/share)	Net Cash distribution (RON/share)
Dividend	2008-2009 (aggregate)	2010	0.08160	0.06854
Dividend	2010	2011	0.03141	0.02638
Dividend	2011	2012	0.03854	0.03237
Dividend	2012	2013	0.04089	0.03435
Return of Capital	-	2014	0.05000	0.05000
Return of Capital	-	2015	0.05000	0.05000
Return of Capital	-	2016	0.05000	0.05000
Special Distribution	-	2017	0.05000	0.05000
Return of Capital	-	2017	0.05000	0.05000
Dividend	2017	2018	0.06780	0.06441
Dividend	2018	2019	0.09030	0.08579
Dividend	2019	2020	0.06420	0.06099
Special Dividend	-	Starting 22 June 2021	0.07200	0.06840
Special Dividend ¹	-	Starting 27 August 2021	0.07000	0.06650
Total			0.80674	0.75773

Source: Investment Manager.

Note: Values resulted after applying the standard Romanian dividend withholding tax rate (amounting to 16% for the 2010 – 2013 dividend distributions and 5% for the 2018 – 2021 dividend distributions) to the value of the Gross Cash Distribution per Share. Shareholder could benefit from a reduced dividend withholding tax rate or tax exemption, if either Double Taxation Treaty provisions or a specific Romanian tax law exemption was applicable. The tax treatment of cash distributions resulting from a share capital decrease is uncertain under the Romanian tax law. Based on our understanding of Romanian tax law, we are of the opinion there are good arguments to assume that the cash distribution is not subject to Romanian withholding tax.

1. Submitted for shareholders' approval during the 16 July 2021 GSM.

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
Eleventh	1 Jan – 31 Dec 2020	Finalized	797.96 mn/11.07%	1.3347 ²	Auerbach Grayson, Swiss Capital	Cancellation of shares approved by shareholders during the 28 April 2021 Annual GSM ¹
Twelfth	1 Jan – 31 Dec 2021	Ongoing	800.00 mn/11.10%	1.6272 ³	Auerbach Grayson, Swiss Capital	The cancellation of shares will be subject to shareholders' approval in 2022

Source: FP current reports, Investment Fund Manager calculations.

1. To be effective, the FSA endorsement is legally required, and the shareholders' resolution for the share capital decrease needs to be registered with the Trade Register.
2. Based on the 797,961,287 shares repurchased (555,481,637 ordinary shares and 242,479,650 equivalent shares of the GDRs repurchased).
3. As at 30 June 2021. Based on the 129,836,095 shares repurchased (92,357,045 ordinary shares and 37,479,050 equivalent shares of the GDRs repurchased).

Total dividend income from portfolio companies

	FP Net Dividend (RON mn)								
	2013	2014	2015	2016	2017	2018	2019	2020	2021 ¹²
Total Dividends from Listed Companies (RON mn)	373.9	538.6	251.5	36.0	148.1	199.6	223.0	200.2	116.8
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	532.0
Total Annual Dividend Income (RON mn)	649.7	682.1	567.4	351.2	552.6	566.5	673.7	525.0	397.9
Total Special Dividend Income (RON mn)	-	-	-	-	185.2	199.5	259.3	683.1	250.9
Total Dividends (RON mn)	649.7	682.1	567.4	351.2	737.8	766.0	933.0	1,208.1	648.8
Total Annual Dividend Income per Share (RON) ¹	0.04954	0.05674	0.05310	0.0331	0.0750	0.0797	0.1035	0.0885	0.0672
Total Special Dividend Income per Share (RON) ¹	-	-	-	-	0.0251	0.0281	0.0398	0.1151	0.0424
Dividend/Distribution per Share (RON)	0.05000	0.05000	0.05000	0.05000	0.0678	0.0903	0.0642	0.1420¹⁰	0.1096
Share Price (RON)	0.7640 ³	0.8130 ⁴	0.7200 ⁵	0.9180 ⁶	0.8990 ⁷	1.0150 ⁸	1.1850 ⁹	1.7800 ¹¹	
Yield	6.54%	5.84%	6.94%	8.76%	7.54%	8.90%	5.42%	7.98% ¹¹	
Yield for Romanian companies (BET)	5.10%	3.50%	4.56%	7.07%	8.59%	9.17%	7.34%		

Source: Investment Manager calculations.

1. Calculation based on the number of paid shares at the Registration date for each year excluding treasury shares at the same date. For 2021, the calculation is based on the number of paid shares excluding treasury shares acquired as at 30 June 2021. Note: The Investment Manager's dividend proposals are calculated based on the Fund's Annual Cash Distribution Policy.
2. Includes dividends from Romgaz and Nuclearelectrica, which were unlisted at that time.
3. As at 30 April 2014.
4. As at 29 May 2015.
5. As at 9 June 2016.
6. As at 6 June 2017.
7. As at 11 June 2018.
8. As at 10 June 2019.
9. As at 10 June 2020.
10. Includes the RON 0.0720/share special dividend payable starting 22 June 2021, and the RON 0.0700/share special dividend submitted for shareholders' approval in the 16 July 2021 GSM.
11. As at 22 June 2021.
12. Includes dividend distributions approved or submitted for shareholders' approval, as at 30 June 2021.

16 July 2021 GSM agenda – Main points



OGM agenda

- The approval of a gross special dividend of RON 0.07 per share, in accordance with the supporting documentation;
- The approval of 5 August 2021 as the Ex – Date;
- The approval of 6 August 2021 as the Registration Date;
- The approval of 27 August 2021 as the Payment Date.

Source: 16 July 2021 FP GSM documentation.

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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 RON and paid-up share capital is RON 3,560,099,870.08.

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

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