

Fondul Proprietatea – 2020 Annual GSM

28 April 2020



Report on the Discount objective





Objective

The discount between the closing price for each trading day on the BSE, of the shares issued by the Fund and the latest reported NAV per share at the date of calculation should be equal to or lower than 15% in at least two thirds of the trading days during the reporting period 1 January – 31 December 2019.



Monthly Monitoring – 31 December 2019

In the period 1 January – 31 December 2019, discount was higher than 15%, for both shares and GDRs. However, the discount decreased from 35.46% at the beginning of the year to 23.05% at the end of 2019 and recorded a historical low of 18.68% during 2019.



Discount Evolution

Discount at the Start of the Reporting Period – 3 January 2019

35.46%

Discount as at 31 December 2019

23.05%

Average for the Reporting Period 3 January – 31 December 2019

29.38%

Discount Range for the Reporting Period 3 January – 31 December 2019

18.68% – 43.24%

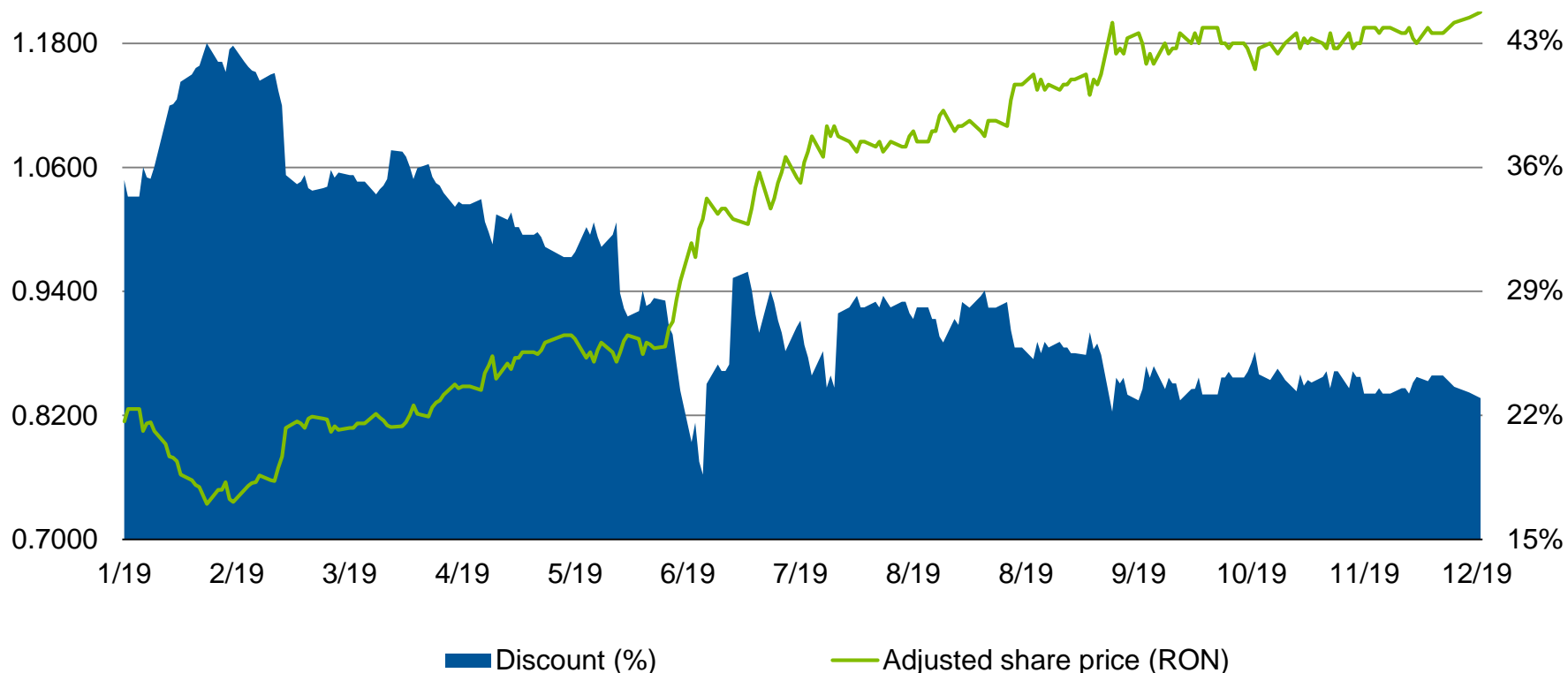
Source: Fondul Proprietatea Report.

Note: The discount is calculated based on the latest published NAV/share at the date of the calculation.

FP share price and Discount evolution



FP Adjusted share price (RON) and Discount (%)



Source: BVB, Bloomberg, for the period 3 January – 30 December 2019.



Distributed RON 1.08 billion to the Fund's shareholders during 1 January – 31 December 2019 via:

- **Annual Dividend Distribution:**

Gross distribution to shareholders of **RON 642.3 million** or RON 0.09030 per share – payment started on 1 July 2019

- **Buy-backs:**

Executed the 10th buy-back programme (1 January 2019 – 31 December 2019) through a tender offer for 150 mn shares (July – August 2019) and daily share repurchases of up to 25% of the average daily trading volume for the last 20 trading sessions. The total acquisition cost at trade price (excluding transaction costs) of the buy-back program was **RON 439.0 million**

- **Total amount distributed**

(including buy-backs and dividend distributions) is **RON 1,081.3 million**, i.e. 9.11% of the Fund's NAV as at 31 December 2019



Investor Relations:

Proactive investor relations program to increase the visibility of the Fund to a broader base of investors

Creating liquidity at the portfolio level¹

	RON
Total Value of Disposals	200,898,504
Dividends Received (Collected)	922,323,252
Credit Facility (Committed) ²	45,000,000
Total	1,168,221,756

Source: Fund's periodical reports.

1. For the Reporting Period: 1 January – 31 December 2019.

2. Maximum committed amount of RON 45 million, plus the possibility to access, subject to the bank's approval and in accordance with the provisions of the credit facility agreement, additional financing in excess of the committed amount, without exceeding a total amount of RON 245,000,000 at any given time.

Distributions to shareholders

RON	Distributions to shareholders in the period 1 January – 31 December 2019 (excluding related costs)	Expenses related to distributions recorded in the period 1 January – 31 December 2019	Total	% of the NAV as at 31 December 2018	% of the average market capitalization during the period
Buyback program 10	439,032,611	6,975,980	446,008,591	4.36%	6.10%
July 2019 dividend distribution	642,318,809	6,444,815	648,763,624	6.35%	8.87%
Total	1,081,351,421	13,420,795	1,094,772,215	10.71%	14.96%

Source: Fund's periodical reports.

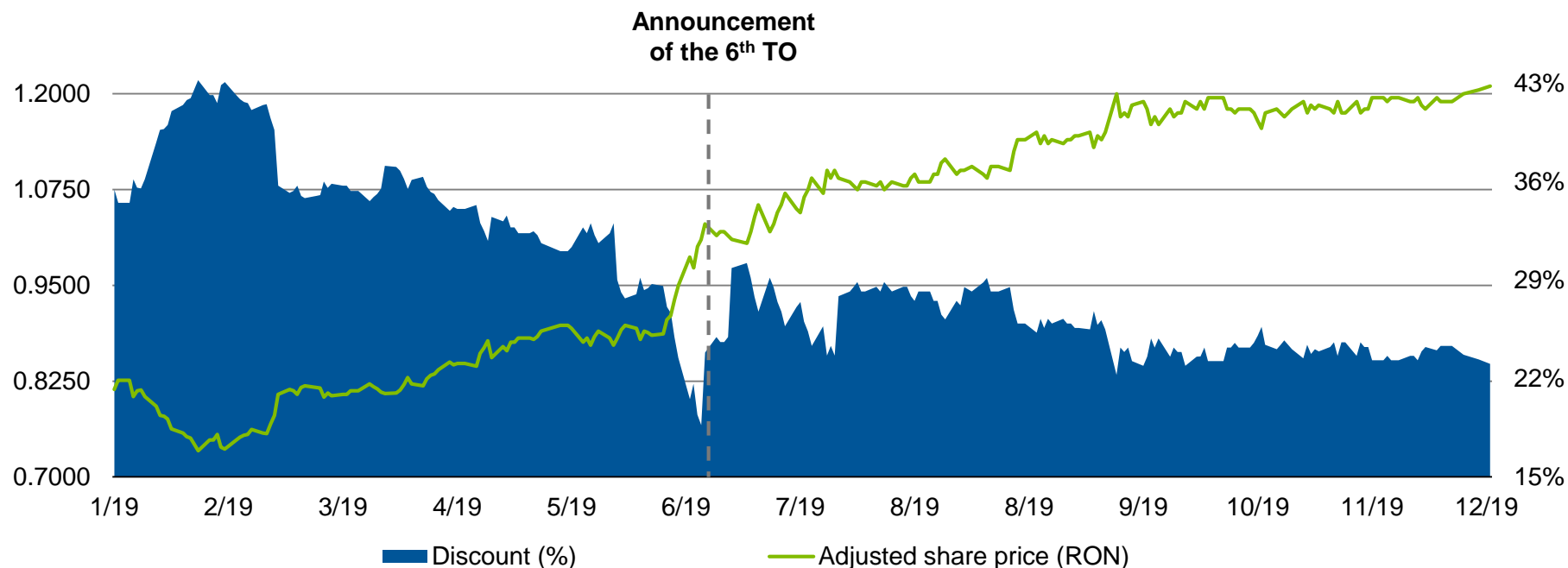
Share buybacks

Program	Period	Status	No. of shares repurchased	Average share price (RON/share)	Acquisition cost of shares repurchased, excluding transaction costs (RON)	Broker	Cancellation of shares¹
Tenth	1 January – 31 December 2019	Finalized	403,812,443	0.9198	439,032,611.41	Auerbach Grayson, BCR	The cancellation of shares will be subject to shareholders' approval in 2020

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.

Tender offer

Tender Offer	Announcement date	Tender price (RON/share)	FP pre-announcement share price (RON/share)	Premium to pre-announcement share price (%)	Discount of offer price to NAV (%) ¹	Take-up rate (%)
Sixth	15 Jul 2019	1.2100	1.0550	14.69%	16.00%	53.47%



Source: Investment Manager current reports and Tender offer documentation, BVB for the period 1 January – 31 December 2019.
1. Latest NAV available at the date of the Tender offer announcement: 31 May 2019 NAV.



During the Reporting Period, the Fund Manager continued to actively promote Fondul Proprietatea, through:

- 368 Investor Meetings

- 76 Investor Conference Calls

- 31 Investor Conference and Roadshows

- 146 participants to the Romania Investor Days in London event, 27 – 28 February 2019

- 118 participants to the FP Investor Days event, 5 – 6 September 2019

- 4 Results conference calls with analysts and investors



Investors that attended the Romania Investor Days in London and FP 2019 Investor Days events have assets under management of over EUR 2,500 billion.

Report on the NAV objective





Objective

The Adjusted NAV per share as at 31 December 2019, to be higher than the NAV per share as at 31 December 2018 (RON 1.4095 per share)



Monthly Monitoring – 31 December 2019

The Adjusted NAV per share as at 31 December 2019 is higher than the NAV per share as at 31 December 2018

NAV Objective	Amount RON	Comments
Total NAV as at 31 December 2019	11,871,445,440	
Dividend gross distribution from 2018 profit	642,318,809	Dividend distribution of RON 0.0903 per share with Ex-date 7 June 2019, Registration date 10 June 2019 and Payment date 1 July 2019
Costs related to buy-backs after 31 December 2018	2,573,770	Fees related to tenth buy-back programme after 31 Dec 2018, excluding the distribution fees for buy-backs
Distribution fees for buy-backs performed after 31 December 2018	4,402,209	Distribution fees for tenth buy-back programme, after 31 December 2018
Distribution fees for cash distributions after 31 December 2018	6,423,188	Distribution fee for the dividend distribution from 2018 profits
Costs related to the returns of capital and dividends after 31 December 2018	24,556	Fees charged by the Central Depository and Paying Agent for the payments performed for returns of capital and dividends
Total Adjusted NAV as at 31 December 2019	12,527,187,972	
Number of Fund's paid shares, less treasury shares and GDRs held as at 31 December 2019	6,846,345,904	
Adjusted NAV per share as at 31 December 2019	1.8298	
NAV per share as at 31 December 2018	1.4095	
Difference	0.4203	
%	29.82%	

Source: FP Report.

Note: The adjusted NAV for a given date is calculated as the sum of: (1) the reported NAV as at the end of the reporting period, (2) any distributions to shareholders, being either dividend or non-dividend ones (i.e. in this case following reductions of the par value of the shares and distribution of the decreasing amount to shareholders) implemented after the end of the previous reporting period, and (3) any distribution fees (as defined in the IMA), and any transaction costs and / or distribution costs relating to either dividend or non-dividend distributions including buy-backs of shares and/or GDRs, and/or depository interests executed through daily acquisitions or public tenders, after the end of the previous Reporting Period. The adjusted NAV per share is equal to the adjusted NAV divided by the total number of the Fund's paid shares, less treasury shares (FP ordinary shares bought back) and less equivalent in FP ordinary shares of FP GDRs acquired and not yet converted into FP ordinary shares, on the last day of the reporting period.

Attribution to NAV performance for the period 1 January – 31 December 2019



Top Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance	Change in NAV per share (RON)
Hydroelectrica SA	Unlisted	41.2%	11.44%	0.1612
OMV Petrom SA	Listed	21.3%	9.62%	0.1356
CN Aeroporturi Bucuresti SA	Unlisted	8.6%	2.39%	0.0337
Nuclearelectrica SA	Listed	2.6%	1.52%	0.0214
Engie Romania SA	Unlisted	4.3%	0.82%	0.0116



Bottom Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance	Change in NAV per share (RON)
Alro SA	Listed	1.4%	(0.20)%	(0.0028)
ENEL Energie SA	Unlisted	0.2%	(0.17)%	(0.0024)
ENEL Energie Muntenia SA	Unlisted	0.4%	(0.16)%	(0.0022)
Aeroportul International Timisoara - Traian Vuia SA	Unlisted	0.1%	(0.05)%	(0.0007)
Plafar SA	Unlisted	0.0%	(0.01)%	(0.0002)
TOTAL NAV PER SHARE CHANGE				0.3244

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

1. NAV report as at 30 December 2019.

List of disposals

Company	Status	Disposal type	Stake sold (%)	Proceeds on disposals (RON)	Disposal date
BRD Groupe Societe Generale SA	Listed	Market sale	2.40%	200,898,504	March - June 2019
Total				200,898,504	

Source: Fund's periodical reports.

Fund Information

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



The Fund – Key Facts

Fund Details¹	RON	USD
NAV	9.59 bn	2.18 bn²
NAV/Share	1.4515	0.3300²
Price/Share	1.1100	0.2524²
Price/GDR	53.22	12.10
Market Capitalization as at 23 April 2020 ³	7.41 bn	1.65 bn³
Discount/Share as at 23 April 2020		22.15%
Discount/GDR as at 23 April 2020		22.62%
Number of Paid Shares less Treasury Shares ⁴		6,566,083,141
Investment Objective		
2019 FY Dividend proposal /Share ⁵		RON 0.0642
Dividend Yield for 2019 FY ⁵		5.68%
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 March 2020 Factsheet.

1. As at 31 March 2020. Based on local regulator methodology.

2. Computed using the NBR USD/RON FX rate as at 31 March 2020.

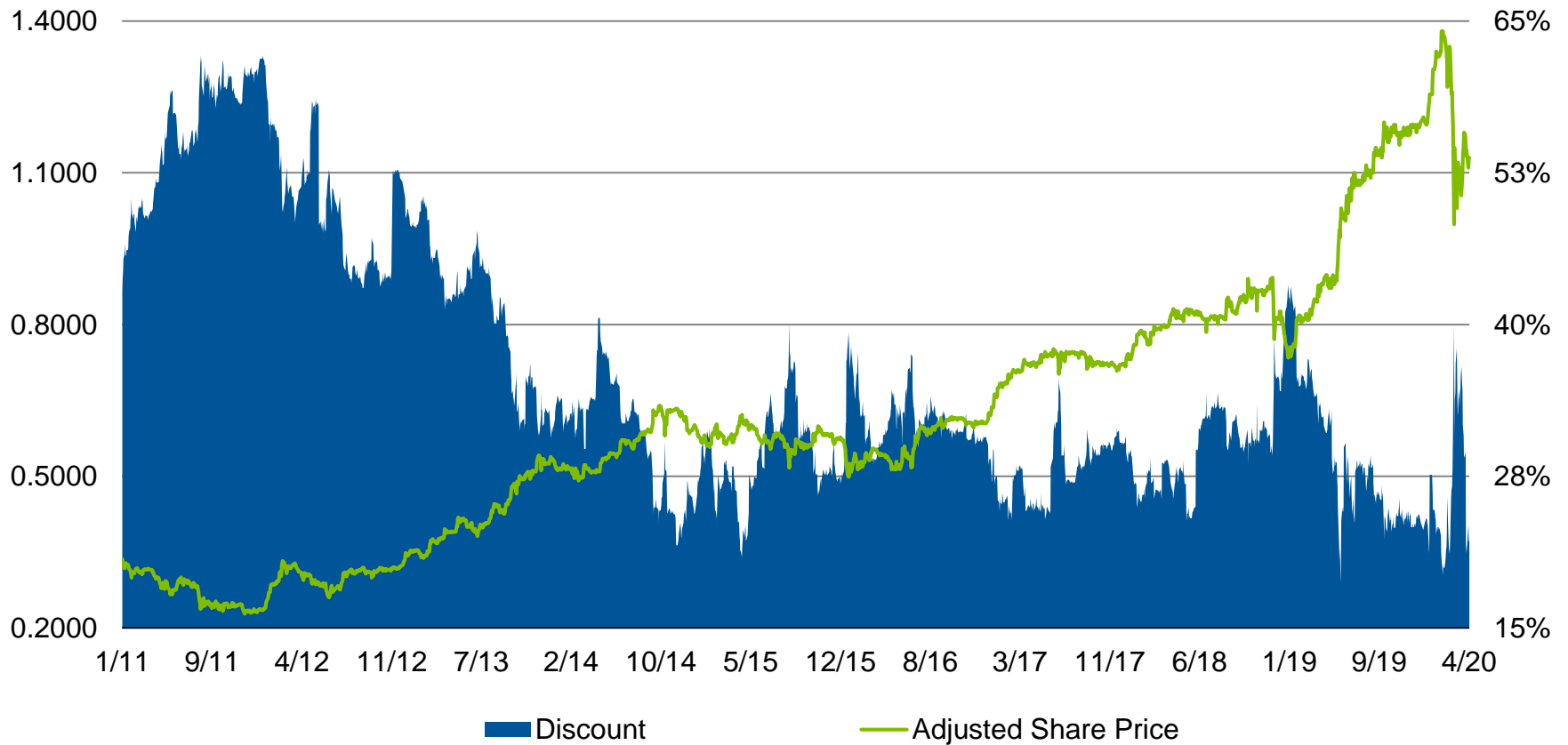
3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 16 April 2020. Computed using the NBR USD/RON FX rate as at 23 April 2020.

4. As at 23 April 2020.

5. Fund Manager proposal submitted for shareholders' approval during the 28 April 2020 Annual GSM. Dividend yield calculated based on the share price as at 23 April 2020.

FP Market performance

FP Share Price (RON) and Discount (%)



Until 23 April 2020. Source: BVB, Bloomberg.

NAV, Share price and GDR Performance



Cumulative Performance

	2011	2012	2013	2014	2015	2016	2017	2018	2019	Q1 '20	Since Performance Inception ¹
NAV (RON)	(0.47)%	8.91%	13.29%	1.39%	(0.60)%	7.33%	13.10%	19.94%	31.23%	(16.29)%	97.96%
Ordinary Share Price (RON)	(30.32)%	38.30%	61.34%	14.53%	(4.06)%	4.90%	21.46%	9.90%	49.05%	(8.26)%	227.10%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.15%	35.88%	(1.94)%	41.41%	(11.68)%	54.01%



Average Annual Discount

2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD ²	Current Share Price Discount ³	Current GDR Price Discount ³
55.67%	50.09%	40.74%	30.87%	29.12%	32.08%	28.05%	29.54%	29.38%	26.26%	22.15%	22.62%

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

Note: The discount is calculated based on the latest published NAV available for the day of the calculation.

The Performance Inception date for the NAV is 31 December 2010, for the Share Price is 25 January 2011, and for the GDRs is 29 April 2015.

1. As at 31 March 2020.

2. For the period 3 January – 23 April 2020.

3. As at 23 April 2020.

Portfolio

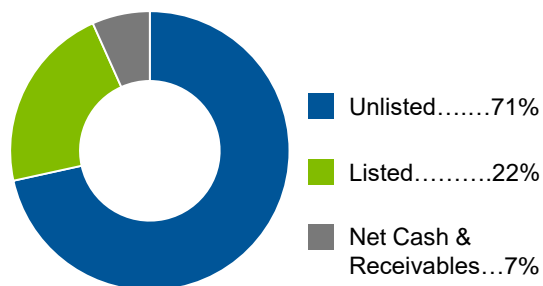
Open	838.63
Low	856.45
Close	836.23
on Close (50)	845.12
on Close (100)	NA
on Close (200)	NA



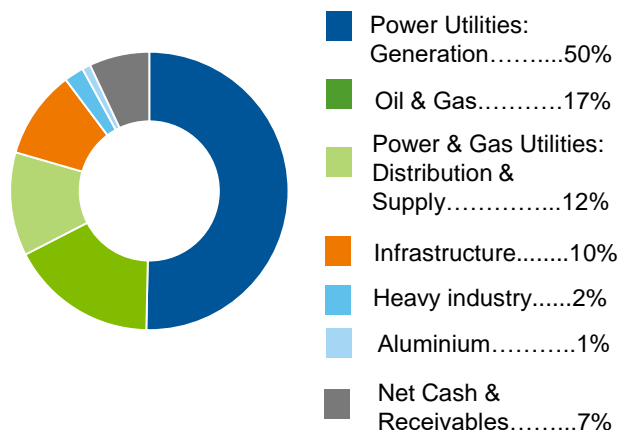
Portfolio Structure



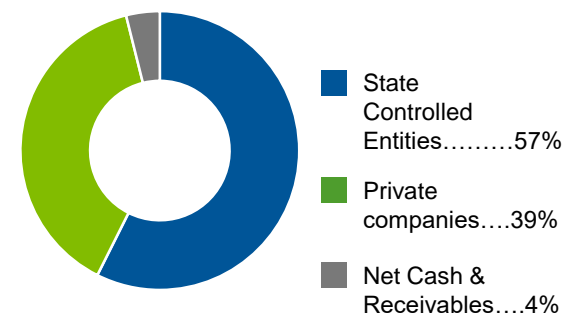
Listed vs Unlisted
as at 31 March 2020 (% NAV)¹



By Sector
as at 31 March 2020 (% NAV)¹



By Controlling Ownership
as at 31 December 2019²



- As at 31 March 2020, the portfolio included stakes in 33 companies (7 listed and 26 unlisted)
- Net cash and receivables position as at 31 March 2020 was USD 144.61 mn.

1. Source: FP March 2020 Factsheet.

2. Source: FP 2019 Annual Results report.

Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake ¹	NAV as at 31 March 2020 (USD mn)	% in NAV as at 31 March 2020
Hidroelectrica	Unlisted	Romanian State	19.9%	1,031.49	47.33%
OMV Petrom	Listed	OMV	9.9%	373.42	17.13%
Bucharest Airports	Unlisted	Romanian State	20.0%	161.81	7.42%
Engie Romania	Unlisted	Engie	12.0%	100.29	4.60%
Nuclearelectrica	Listed	Romanian State	7.1%	66.83	3.07%
E-Distributie Banat	Unlisted	Enel Group	24.1%	60.64	2.78%
E-Distributie Muntenia	Unlisted	Enel Group	12.0%	49.66	2.28%
Constanta Ports	Unlisted	Romanian State	20.0%	49.63	2.28%
Salrom	Unlisted	Romanian State	49.0%	42.43	1.95%
E-Distributie Dobrogea	Unlisted	Enel Group	24.1%	36.74	1.69%
Top 10 Portfolio Holdings				1,972.93	90.53%
NAV				2,179.42	100.00%
NAV Per Share (USD)				0.3300	

Note: Values in USD calculated using the USD/RON FX rate as at 31 March 2020.

Source: FP March 2020 Factsheet.

1. Based on the FP 31 December 2019 Detailed Statement of Investments.

Top Portfolio Holdings – 2019 Preliminary results

Company	Net profit (RON mn)		
	2018	2019	%yoy
OMV Petrom	4,077.8	3,634.7	(12.2)%
Bucharest Airports	371.8	375.1	0.9%
Alro	235.3	(68.3)	(129.0)%
Nuclearelectrica	410.6	540.9	31.7%
Constanta Port	75.7	96.2	27.1%
Total	5,171.2	4,578.6	(11.5)%

Source: OMV Petrom, Alro and Nuclearelectrica 2019 preliminary financial statements, Bucharest Airports, and Constanta Port 2019 preliminary figures presented by the management.

ENEL subsidiaries – Special dividends

- The General Shareholders Meeting of the companies E-Distribuție Banat, E-Distribuție Dobrogea and E-Distribuție Muntenia approved on 14 February 2020 the granting of dividends worth 2.96 billion RON (approximately 618 million euros), from retained earnings.
- Out of the RON 522.5 million in dividends, RON 498.3 million have been received by the Fund in February and the rest (RON 24.2 million) are to be received by August 2020.

Mn RON	Enel Group	FP	SAPE	Total
E-Distributie Banat	452	214	220	886
E-Distributie Dobrogea	256	121	125	503
E-Distributie Muntenia	1,211	188	157	1,566
Total	1,919	523	502	2,955

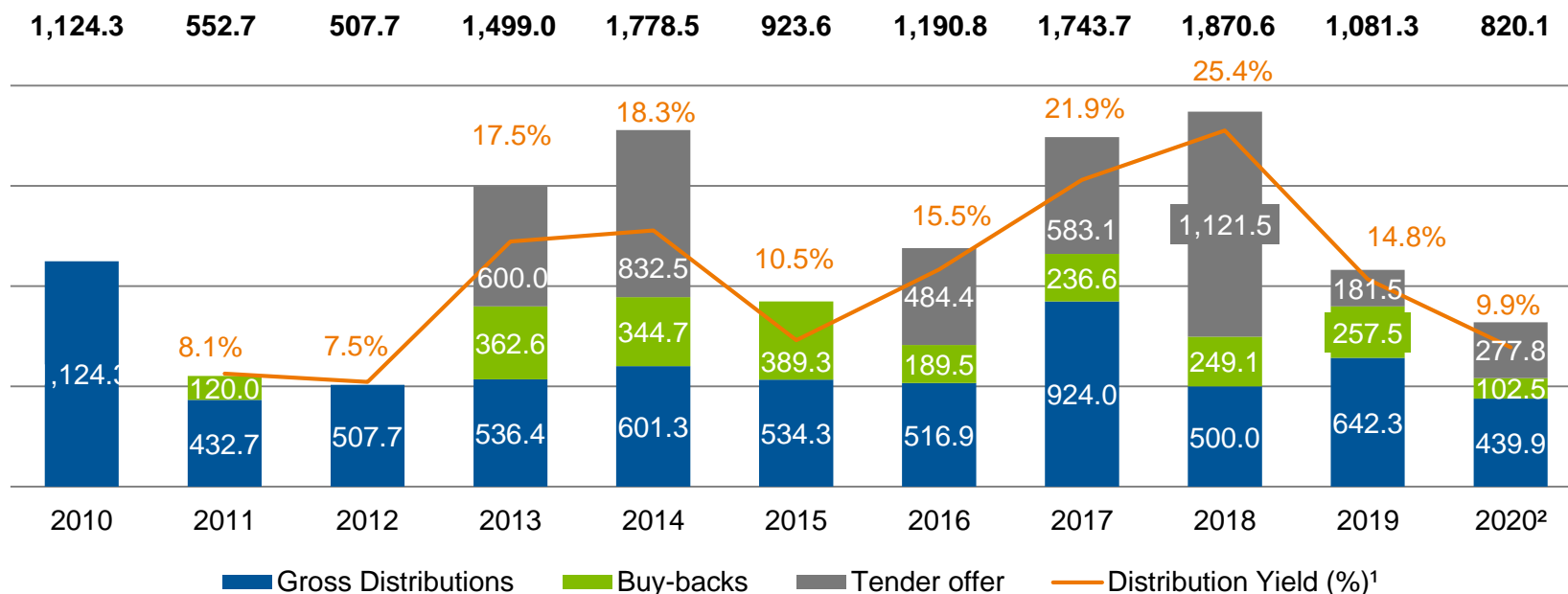
Corporate Actions



Distributions to shareholders



Annual Distributions to Shareholders (RON mn)



The total distributions through buy-backs and cash would amount to RON 13.09 bn/USD 3.54 bn³


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

Note: Values exclude related acquisition fees. USD values based on the NBR average USD/RON FX for each year. For 2020, average USD/RON FX as at 23 April.

1. Based on the total annual distributions through buy-backs and cash, based on the average closing share price on BVB for the respective year and the average number of paid shares, excluding Treasury shares. For 2020, average closing share price as at 23 April.

2. Gross distribution estimation based on the Investment Manager's proposal of RON 0.0642 per share, submitted for shareholders' approval. Buy-backs as at 16 April.

3. As at 16 April 2020. USD value calculated using the NBR USD/RON FX as at 23 April 2020.

 The Investment Manager's proposal for the dividend distribution for the 2019 financial year to be approved in the General Shareholders' Meeting on 28 April 2020 is as follows:

- RON 439.85 million gross dividend distribution
- RON 0.0642 dividend per share
- 9 June 2020 Ex-date
- 10 June 2020 Registration Date
- 1 July 2020 Payment date.

Source: 28 April 2020 FP Annual GSM documentation.



The Sole Director's proposal for the allocation of the 2019 audited profit in amount of RON 3,129,870,912 is the following:

- RON 156,493,546 to legal reserves (mandatory transfer)
- RON 439,856,227 to dividends
- RON 236,026,121 to other reserves ((to be used to cover the negative reserves estimated to arise from cancellation of shares acquired during the 10th buy-back programme)
- RON 2,297,495,018 unallocated profit that remains available to the Fund's shareholders

Cash Distributions to Shareholders

	Financial Year	Paid In	Gross Cash Distribution per Share (RON)	Net Cash Distribution per Share (RON) ¹
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 ²	2019	To be paid in 2020	0.06420	0.06099
Total			0.66474	0.62283

Source: Investment Manager.

1.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 – 2019 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 current understanding of Romanian tax law, we believe there are good arguments to assume that the cash distribution is not subject to Romanian withholding tax. There is however a risk that the Romanian tax authorities take a different view on the tax treatment of the cash distribution.

2. Submitted for shareholders' approval during the 28 April 2020 Annual 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 ¹
Tenth	1 Jan – 31 Dec 2019	Finalized	750.0 mn/8.2%	0.9198 ²	Auerbach Grayson, BCR	The cancellation of shares is subject to shareholders' approval in the 28 April 2020 Annual GSM
Eleventh	1 Jan – 31 Dec 2020	Ongoing	800.0 mn/10.5%	1.3008 ³	Auerbach Grayson, Swiss Capital	The cancellation of shares will be subject to shareholders' approval in 2021

Source: Fund Manager current reports, Fund Manager calculations.

1. To be effective, the FSA endorsement is legally required, and the shareholders' resolution for the share capital decrease needs to be registered with the Trade Register.

2. Based on the 403,812,443 shares repurchased (309,164,893 ordinary shares and 94,647,550 equivalent shares of the GDRs repurchased).

3. As at 16 April 2020. Based on the 292,300,866 shares repurchased (202,830,966 ordinary shares and 89,469,900 equivalent shares of the GDRs repurchased).

Annual dividend income – Top 10 portfolio companies

Top 10 Holdings ¹	Dividend Payout (%)				FP Net Dividend (RON mn)					
	2016	2017	2018	2019	2015	2016	2017	2018	2019	2020 ³
Hydroelectrica	90	90	90	N/A	128.9	134.6	206.6	226.2	358.7	N/A
OMV Petrom	94	46	38	48	120.5	- ²	106.8	107.6	145.3	166.8
Bucharest Airports	90	90	90	N/A	10.2	27.4	41.2	61.2	68.0	N/A
Engie Romania	30	50	30	N/A	24.0	- ²	13.3	20.2	16.4	N/A
Nuclearelectrica	88	93	90	N/A	6.9	8.6	8.6	18.5	25.4	35.1
E-Distributie Banat	40	39	- ²	92	20.7	16.8	8.9	7.7	- ²	N/A
E-Distributie Muntenia	- ²	- ²	- ²	N/A	- ²	- ²	- ²	- ²	- ²	N/A
Constanta Port	90	25	25	N/A	6.5	14.1	11.0	4.1	3.7	N/A
Salrom	90	100	90	N/A	10.2	- ²	13.8	42.3	37.4	N/A
E-Distributie Dobrogea	37	36	- ²	N/A	10.5	12.0	6.6	4.3	- ²	N/A
Total Top 10 Holdings (RON mn)					338.4	213.5	416.8	492.1	654.9	201.9

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

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

1. Source: FP March 2020 Factsheet.

2. The company registered losses.

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

Total dividend income from portfolio companies

	FP Net Dividend (RON mn)							
	2013	2014	2015	2016	2017	2018	2019	2020
Total Dividends from Listed Companies (RON mn)	373.9	538.6	251.5	36.0	148.1	199.6	223.0	201.9 ¹¹
Total Dividends from Unlisted Companies (RON mn)	275.8 ²	143.5	315.9	315.2	404.5	366.9	710.0	522.9 ¹²
Total Annual Dividend Income (RON mn)	649.7	682.1	567.4	351.2	552.6	566.5	673.7	201.9 ¹¹
Total Special Dividend Income (RON mn)	-	-	-	-	185.2	199.5	259.3	522.9 ¹²
Total Dividends (RON mn)	649.7	682.1	567.4	351.2	737.8	766.0	933.0	724.8
Total Annual Dividend Income per Share (RON) ¹	0.04954	0.05674	0.05310	0.0331	0.0750	0.0797	0.0984	0.0308 ¹³
Total Special Dividend Income per Share (RON) ¹	-	-	-	-	0.0251	0.0281	0.0379	0.0797 ¹³
Dividend/Distribution per Share (RON)	0.05000	0.05000	0.05000	0.05000	0.0678	0.0903	0.0642⁹	0.1105¹³
Share Price (RON)	0.7640 ³	0.8130 ⁴	0.7200 ⁵	0.9180 ⁶	0.8990 ⁷	1.0150 ⁸	1.1300 ¹⁰	
Yield	6.54%	5.84%	6.94%	8.76%	7.54%	8.90% ⁸	5.68% ¹⁰	
Yield for Romanian companies (BET)	5.10%	3.50%	4.56%	7.07%	8.59%	9.17%		

Source: Fund Manager calculations.

1. Calculation based on the number of paid shares at the registration date for each year excluding treasury shares at the same date. For 2019, the calculation is based on the number of paid shares excluding treasury shares acquired as at 31 December 2019. Note: The Fund Manager's dividend proposals are calculated based on the Fund's Annual Cash Distribution Policy.

2. Includes dividends from Romgaz and Nuclearelectrica, which were unlisted at that time.

3. As at 30 April 2014.

4. As at 29 May 2015.

5. As at 9 June 2016.

6. As at 6 June 2017.

7. As at 11 June 2018.

8. As at 10 June 2019.

9. Dividend proposal submitted for shareholders' approval during the 28 April 2020 Annual GSM.

10. As at 23 April 2020.

11. As at 23 April 2020, based on the dividend proposals submitted for shareholders' approval during the companies' annual GSMs.

12. Based on the dividends received by the Fund as at 31 March 2020.

13. Based on the number of paid shares excluding treasury shares acquired as at 16 April 2020.

Note: The Fund Manager's dividend proposals are calculated based on the Fund's Annual Cash Distribution Policy

Annual Financial Results



Statement of Financial Position

RON mn	31 December 2019 Audited	31 December 2018 Audited
Cash and current accounts	31.9	19.6
Deposits with banks	338.4	187.1
Treasury bills	-	49.6
Government bonds	137.3	131.6
Dividend receivables	-	137.0
Equity investments	11,413.1	9,337.4
Other assets	0.3	1.5
Total assets	11,921.0	9,863.8
Payables	16.7	14.8
Other liabilities	32.8	20.6
Total liabilities	49.5	35.4
Total equity	11,871.5	9,828.4
Total liabilities and equity	11,921.0	9,863.8

Source: FP Annual Sole Director's Report 2019.

Statement of Comprehensive Income

RON mn	2019 Audited	2018 Audited
Net unrealised gain from equity investments at fair value through profit or loss	2,260.3	225.3
Gross dividend income	942.9	776.2
Net realised gain/ (loss) from equity investments at fair value through profit or loss	9.9	4.5
Interest income	9.9	9.8
(Impairment losses)/ Reversal of impairment losses on receivables, net	(10.3)	0.2
Other income/ (expenses), net ¹	3.4	2.9
Net operating income	3,216.1	1,018.9
Administration fees recognised in profit or loss	(50.3)	(46.8)
Other operating expenses	(25.6)	(26.5)
Operating expenses	(75.9)	(73.3)
Finance costs	(0.4)	(0.3)
Profit before income tax	3,139.8	945.3
Income tax expense	(9.9)	(10.2)
Profit for the year	3,129.9	935.1
Other comprehensive income	-	-
Total comprehensive income for the year	3,129.9	935.1

Source: FP Annual Sole Director's Report 2019.

1. Other items of income/ (expense), net included mainly the net gain/ (loss) from revaluation of government securities through profit or loss, net foreign exchange gain/ (loss) and other operating income/ (expenses).



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

- Health and wellbeing of all employees and shareholders is a top priority
- FT staff working remotely during lockdown period with skeleton staff supporting critical office functions
- Ongoing engagement with portfolio companies at management, supervisory board and shareholder level
- Ongoing communication with Fondul Proprietatea shareholders:
 - Current report published on 13 March 2020
 - Current report with voting recommendation published on 24 March 2020
 - Update regarding 28 April 2020 GSM issued on 15 April 2020
 - 31 March 2020 NAV report and Monthly Factsheet issued on 15 April 2020
 - Update on NAV as at 31 March 2020 issued on 8 April 2020
 - Current report published on 24 April 2020
- Ongoing engagement with public authorities, regulator and other stakeholders

Annual GSM Agenda



28 April 2020 Annual GSM agenda – Main points



EGM agenda:

- The approval of several amendments to the Constitutive Act of Fondul Proprietatea
- The approval of the amended Investment Policy Statement, which shall be in force starting with 23 July 2020, as described in the supporting documentation
- The approval of the decrease of the subscribed share capital of Fondul Proprietatea from RON 3,959,264,762.44 to RON 3,749,282,292.08 pursuant to the cancellation of 403,812,443 own shares acquired by Fondul Proprietatea during 2019



OGM agenda:

The presentation by:

- The Alternative Investment Fund Manager of the Performance Report for the period 1 January 2019 – 31 December 2019; and
- The Board of Nominees of its annual report for 2019 financial year, including its Review Report in relation to the Performance Report
- The approval of the Annual Activity Report of the Sole Director of Fondul Proprietatea for the financial year 2019
- The approval to cover the negative reserves incurred in 2019 financial year derived from the cancellation of treasury shares, in accordance with the supporting materials

28 April 2020 Annual GSM agenda – Main points



OGM agenda:

- The approval of the net profit allocation, and the approval of the value of the gross dividend of RON 0.0642 per share corresponding to the 2019 financial year profit, all in accordance with the supporting documentation

- The appointment of Deloitte Audit S.R.L. as the financial auditor of Fondul Proprietatea S.A., setting the duration of the financial audit agreement for the period starting with 31 August 2021 and 30 June 2022; setting the scope of work of the financial audit agreement: audit of the financial statements of Fondul Proprietatea SA for 2021 financial year.

The approval of:

- 9 June 2020 as the Ex – Date;
- 10 June 2020 as the Registration Date;
- 1 July 2020 as the Payment Date.

The continuation of the mandate of Franklin Templeton International Services S.À R.L. as Fondul Proprietatea's alternative investment fund manager and sole director, as follows:

- (a) The approval of the continuation of the current mandate of Franklin Templeton International Services S.à r.l. as the alternative investment fund manager and sole director of Fondul Proprietatea.
- In case point (a) above is not approved by the shareholders, the approval of:
 - the simultaneous termination of the mandate of Franklin Templeton International Services S.À R.L. as the alternative investment fund manager and sole director of Fondul Proprietatea , and of the Management Agreement, beginning with the earliest of (i) the appointment of a new alternative investment fund manager and sole director of Fondul Proprietatea in accordance with the terms of the Management Agreement and (ii) 1 November 2020, and
 - the procedure to be observed for the selection of a new alternative investment fund manager and sole director of Fondul Proprietatea, as described in the supporting materials. (secret vote)

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