

Fondul Proprietatea – 2021 Annual GSM

20 April 2021



Performance report



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 2020.



2020 Monitoring

In the period 1 January – 31 December 2020, discount was higher than 15%, for both shares and GDRs, for at least two thirds of the trading days. However, the discount decreased from 23.69% at the beginning of the year to 9.71% at the end of 2020, a historical low.



Discount Evolution

Discount at the Start of the Reporting Period – 3 January 2020

23.69%

Discount as at 31 December 2020

9.71%

Average for the Reporting Period 3 January – 31 December 2020

21.06%

Discount Range for the Reporting Period 3 January – 31 December 2020

39.96% – 9.71%

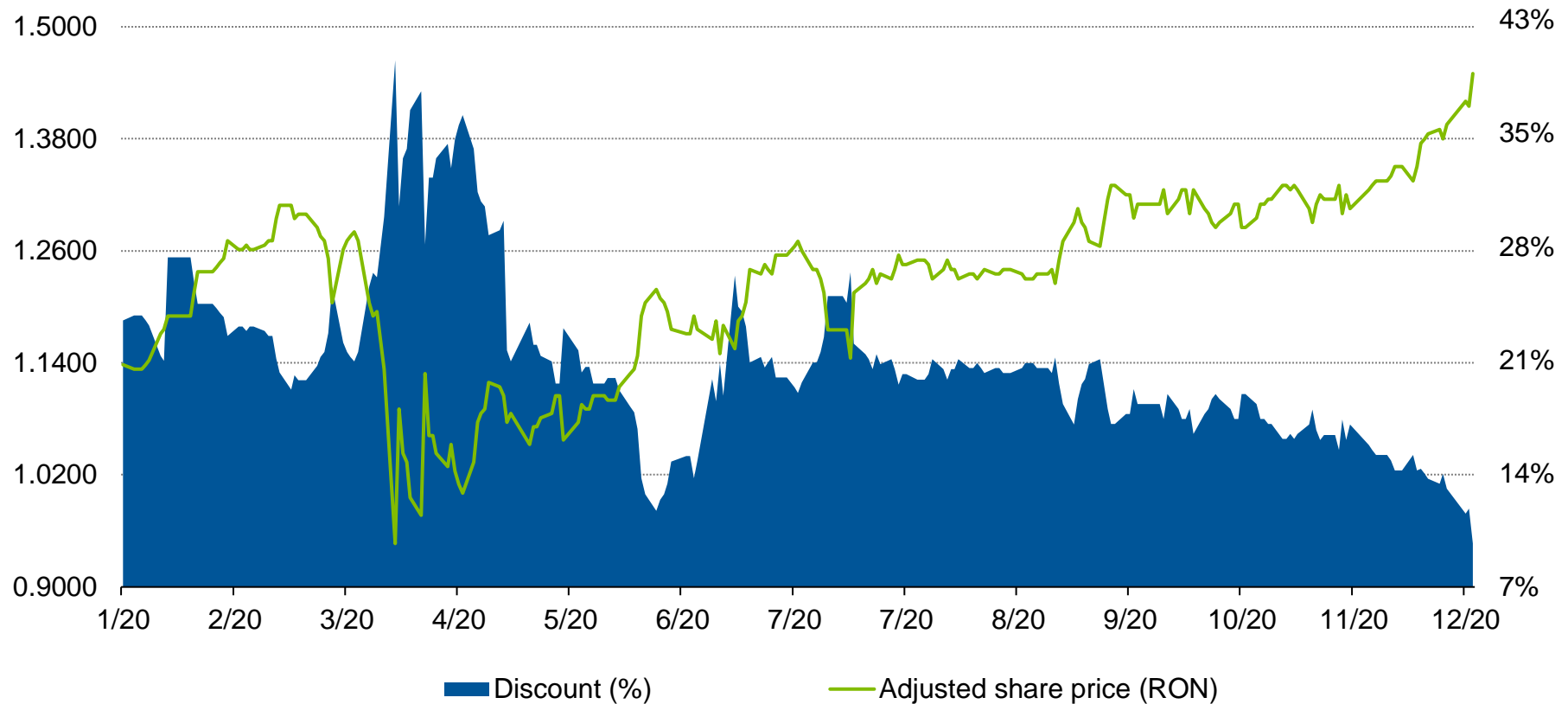
Source: Fondul Proprietatea Report.

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 – 31 December 2020.



Distributed RON 1.48 billion to the Fund's shareholders during 1 January – 31 December 2020 via:

- **Annual Dividend Distribution:**

Gross distribution to shareholders of **RON 417.97 million** or RON 0.06420 per share – payment started on 1 July 2020

- **Buy-backs:**

Executed the 11th buy-back programme (1 January 2020 – 31 December 2020) through daily share repurchases of up to 25% of the average daily trading volume for the last 20 trading sessions and three tender offers for 585 mn shares. The total acquisition cost at trade price (excluding transaction costs) of the buy-back program was **RON 1,065.01 million**

- **Total amount distributed**

(including buy-backs and dividend distributions) is **RON 1,482.97 million**, i.e. 14.44% of the Fund's NAV as at 31 December 2020



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	920,634,404
Dividends Received (Collected)	1,207,841,831
Credit Facility (Committed) ²	45,000,000
Total	2,173,476,235

Source: Fund's periodical reports.

1. For the Reporting Period: 1 January – 31 December 2020.

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 100,000,000 at any given time.

Distributions to shareholders

RON	Distributions to shareholders in the period 1 January – 31 December 2020 (excluding related costs)	Expenses related to distributions recorded in the period 1 January – 31 December 2020	Total	% of the NAV as at 31 December 2019	% of the average market capitalization as at 31 December 2020
Buyback program 11	1,065,008,457	21,434,752	1,086,443,209	9.15%	12.39%
July 2020 dividend distribution	417,965,383	4,206,956	422,172,339	3.56%	4.81%
Total	1,482,973,840	25,641,708	1,508,615,548	12.71%	17.20%

Source: Fund's periodical reports.

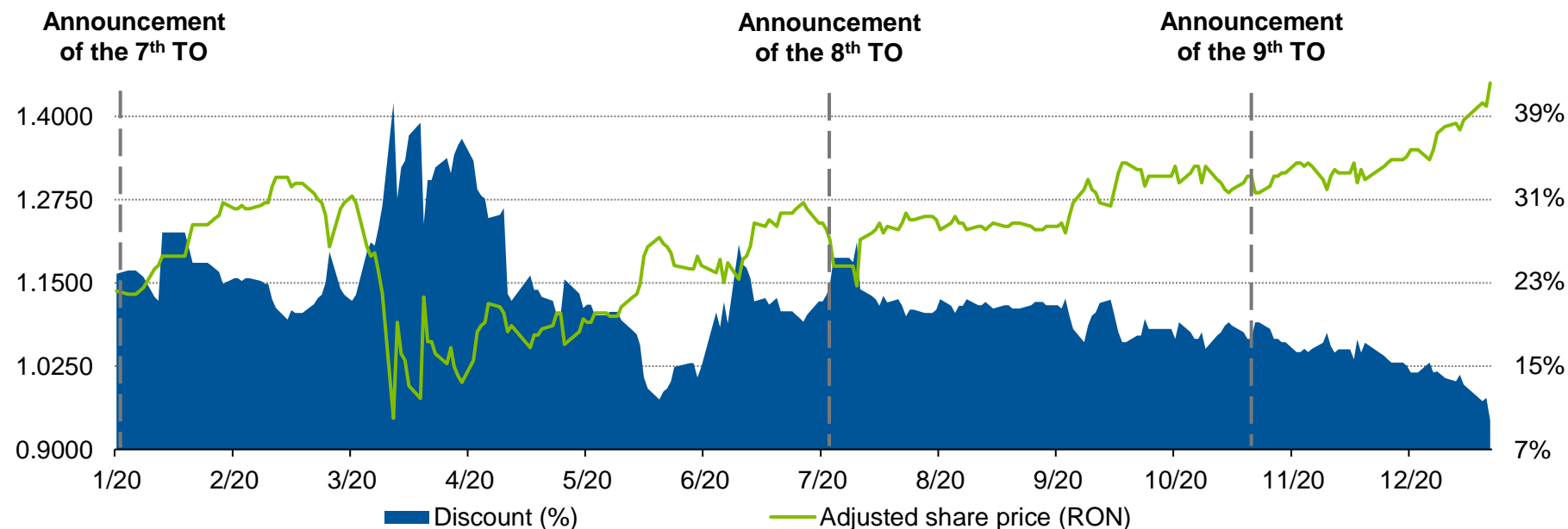
Share buybacks

Program	Period	Status	No. of shares repurchased	Average share price (RON/share)	Acquisition cost of shares repurchased, excluding transaction costs (RON)	Broker	Cancellation of shares ¹
Eleventh	1 Jan – 31 Dec 2020	Finalized	797,961,287	1.3347	1,065,008,457	Auerbach Grayson, Swiss Capital	The cancellation of shares is subject to shareholders' approval in 2021

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 offers

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 (%)
Seventh	7 Jan 2020	1.3900	1.1950	16.32%	13.13%	46.51%
Eighth	17 Jul 2020	1.3900	1.1450	17.63%	11.02%	46.26%
Ninth	26 Oct 2020	1.3900	1.2900	7.19%	12.47%	21.99%



Source: Investment Manager current reports and Tender offer documentation, BVB for the period 1 January – 31 December 2020.

1. Latest NAV available at the date of the Tender offer announcement: 29 November 2019 for the Seventh Tender, 30 June 2020 for the Eighth Tender, and 30 September 2020 for the Ninth Tender.



During the Reporting Period, the Fund Manager continued to actively promote Fondul Proprietatea despite the COVID-19 pandemic. Even though travel was restricted, the Fund Manager held online events for most of 2020.

- 2 road-shows during which the team met with 18 institutional investors
- 66 Investor conference calls
- 4 Results conference calls with analysts and investors
- 13 conferences where the team met with investment professionals from 134 firms



Romania Investor Days in London

- Investors that attended the event in February 2020 have assets under management of over EUR 1,000 billion
- 78 investors from 45 investment houses and 45 representatives from 18 Romanian companies participated
- 204 investor meetings were organized during the 2 days event

Report on the NAV objective





Objective

The Adjusted NAV per share as at 31 December 2020, to be higher than the NAV per share as at 31 December 2019 (RON 1.7339 per share)



2020 Monitoring

The Adjusted NAV per share at 31 December 2020 is 2.13% higher than the NAV per share at 31 December 2019

NAV Objective	Amount RON	Comments
Total NAV as at 31 December 2020	10,266,911,904	
Dividend gross distribution from 2019 profit	417,965,383	Dividend distribution of RON 0.0642 per share, with Ex-date 9 June 2020, Registration date 10 June 2020 and Payment date 1 July 2020
Costs related to buy-backs after 31 December 2019	10,760,452	Fees related to eleventh buy-back programme after 31 December 2019, excluding the distribution fees for buy-backs
Distribution fees for buy-backs performed after 31 December 2019	10,674,300	Distribution fees for the eleventh buy-back programme, after 31 December 2019
Distribution fees for cash distributions after 31 December 2019	4,179,654	Distribution fee for the dividend distribution from 2019 profits
Costs related to the returns of capital and dividends after 31 December 2019	27,741	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 2020	10,710,519,434	
Number of Fund's paid shares, less treasury shares and GDRs held as at 31 December 2020	6,048,384,617	
Adjusted NAV per share as at 31 December 2020	1.7709	
NAV per share as at 31 December 2019	1.7339	
Difference	0.0370	
%	2.13%	

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 2020



Top Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance	Change in NAV per share (RON)
Hidroelectrica SA	Unlisted	50.0%	5.41%	0.0938
Nuclearelectrica SA ²	Listed	0.0%	0.75%	0.0131
Engie Romania SA	Unlisted	5.2%	0.32%	0.0056
ENEL Energie SA	Unlisted	0.5%	0.22%	0.0038
Romaero SA	Listed	0.5%	0.22%	0.0038



Bottom Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance	Change in NAV per share (RON)
OMV Petrom SA	Listed	14.0%	(3.06)%	(0.0530)
CN Aeroporturi Bucuresti SA	Unlisted	6.1%	(3.05)%	(0.0529)
Societatea Nationala a Sarii SA	Unlisted	2.0%	(0.46)%	(0.0079)
E-Distributie Banat SA	Unlisted	2.7%	(0.28)%	(0.0048)
E-Distributie Dobrogea SA	Unlisted	1.7%	(0.20)%	(0.0034)

TOTAL NAV PER SHARE CHANGE

(0.0365)

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

1. 31 December 2020 NAV report.

2. Nuclearelectrica was entirely sold at the end of December 2020.

List of disposals

Company	Status	Disposal type	Stake sold (%)	Proceeds on disposals (RON)	Disposal date
Nuclearelectrica SA	Listed	Market sale	7.05%	359,634,404	June – December 2020
OMV Petrom SA	Listed	ABB	3.00%	561,000,000	September 2020
Total				920,634,404	

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	10.85 bn	2.59 bn²
NAV/Share	1.8166	0.4329²
Price/Share	1.7450	0.4158²
Price/GDR	85.62²	20.40
Market Capitalization as at 19 April 2021	9.99 bn	2.44 bn³
Discount/Premium per Share as at 19 April 2021	(7.74)%	
Discount/Premium per GDR as at 19 April 2021	(5.75)%	
Number of Paid Shares less Treasury Shares ⁴	5,965,715,567	
Investment Objective		
2020 FY Dividend Proposal /Share ⁵	RON 0.0720	
Dividend Yield for 2020 FY ⁵	4.30%	
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 2021 Factsheet.

1. As at 31 March 2021. Based on local regulator methodology.

2. Computed using the NBR USD/RON FX rate as at 31 March 2021.

3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 16 April 2021. Computed using the NBR USD/RON FX rate as at 19 April 2021.

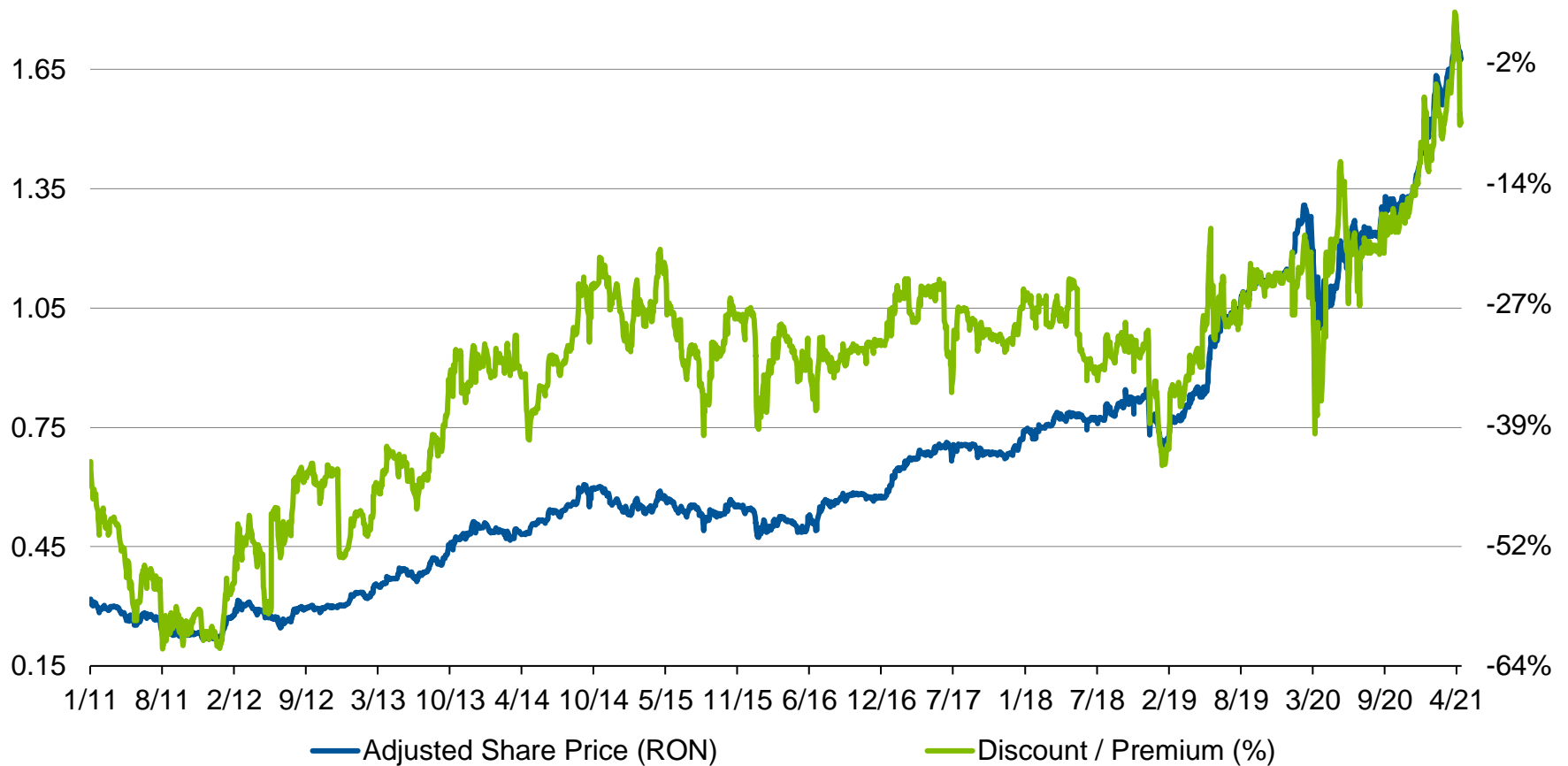
4. As at 16 April 2021.

5. Cash distribution proposal submitted for shareholders' approval during the Annual GSM on 28 April 2021. Yield calculated based on the FP share price as at 19 April 2021.



FP Market performance

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



Source: BVB, Bloomberg, for the period 25 January 2011 – 19 April 2021, Investment Manager calculations.
Note: The discount/premium is calculated based on the latest published NAV available for the day of the calculation.

NAV, Share price and GDR Performance



Cumulative Performance¹

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Q1 2021 ²	Since Performance Inception ²
NAV (RON)	(0.47)%	8.91%	13.29%	1.39%	(0.60)%	7.33%	13.10%	19.94%	31.23%	2.21%	7.02%	158.67%
Ordinary Share Price (RON)	(30.32)%	38.30%	61.34%	14.53%	(4.06)%	4.90%	21.46%	9.90%	49.05%	37.83%	20.34%	442.55%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.15%	35.88%	(1.94)%	41.41%	48.47%	19.30%	172.79%



Discount/Premium to NAV

Average 2011	Average 2012	Average 2013	Average 2014	Average 2015	Average 2016	Average 2017	Average 2018	Average 2019	Average 2020	Share Price Avg. YTD ³	Current Share Price ⁴	Current GDR Price ⁴
(55.67)%	(50.09)%	(40.74)%	(30.87)%	(29.12)%	(32.08)%	(28.05)%	(29.54)%	(29.38)%	(21.06)%	(6.03)%	(7.74)%	(5.75)%

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

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

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

1. Dividend adjusted.

2. As at 31 March 2021.

3. For the period 4 January – 19 April 2021.

4. As at 19 April 2021.

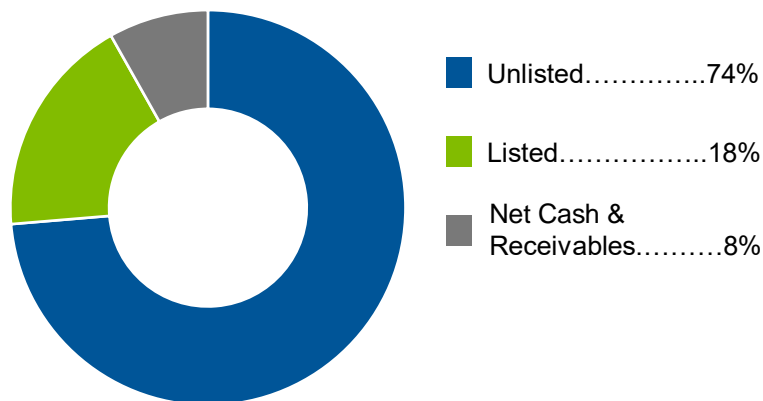
Portfolio





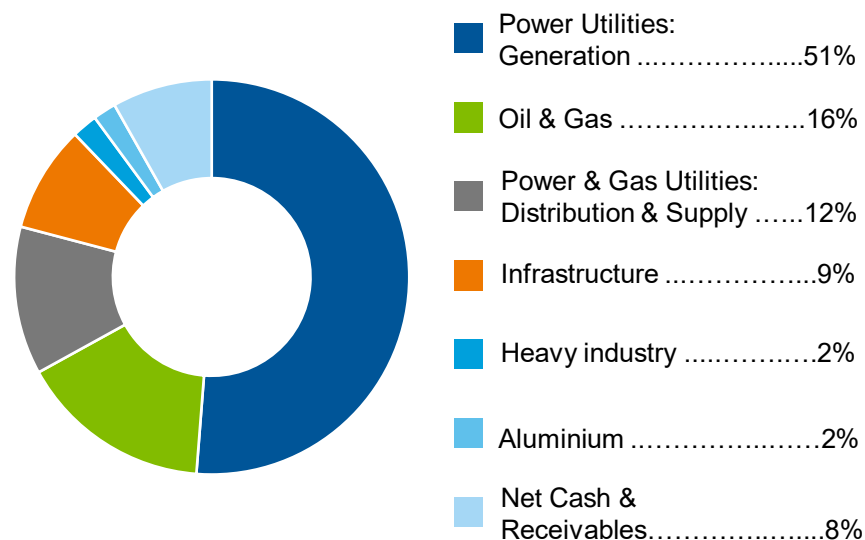
Listed vs Unlisted

(% of NAV as at 31 March 2021)¹



By Sector

(% of NAV as at 31 March 2021)¹



- As at 31 March 2021, the portfolio included stakes in 32 companies (6 listed and 26 unlisted)
- The net cash and receivables as at 31 March 2021 was USD 211.10 million².

1. Source: FP March 2021 Factsheet.

2. Source: 31 March 2021 NAV report, based on the NBR RON/USD FX rate as at 31 March 2021.

Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake ¹	NAV as at 31 March 2021 (USD mn)	% in NAV as at 31 March 2021
Hidroelectrica	Unlisted	Romanian State	19.9%	1,321.7	51.1%
OMV Petrom	Listed	OMV	7.0%	406.1	15.7%
Bucharest Airports	Unlisted	Romanian State	20.0%	148.7	5.8%
Engie Romania	Unlisted	Engie	12.0%	128.4	5.0%
E-Distributie Banat	Unlisted	Enel Group	24.1%	65.0	2.5%
Constanta Port	Unlisted	Romanian State	20.0%	56.2	2.2%
E-Distributie Muntenia	Unlisted	Enel Group	12.0%	54.3	2.1%
Alro	Listed	Vimetco N.V.	10.2%	48.8	1.9%
Salrom	Unlisted	Romanian State	49.0%	47.9	1.9%
E-Distributie Dobrogea	Unlisted	Enel Group	24.1%	42.2	1.6%
Top 10 Portfolio Holdings				2,319.3	89.7%
NAV				2,585.4	100.0%
NAV Per Share (USD)				0.4329	

Source: FP March 2021 Factsheet. Note: Values in USD calculated using the NBR USD/RON FX rate as at 31 March 2021.

1. Based on the FP 31 December 2020 Detailed Statement of Investments.

Top Portfolio Holdings – 2020 Preliminary results

Company	Net profit (RON mn)		
	2019	2020	%y.o.y
Hidroelectrica	1,386.5	1,453.0	4.8%
OMV Petrom	3,634.7	1,291.0	(64.5)%
Bucharest Airports	359.6	(120.3)	(133.5)%
Constanta Port	108.2	146.4	35.3%
Alro	(67.2)	329.0	-
Total	5,421.8	3,099.1	(42.8)%

Source: OMV Petrom and Alro 2020 preliminary financial results, Hidroelectrica, Bucharest Airports and Constanta Port 2020 preliminary figures presented by the management.

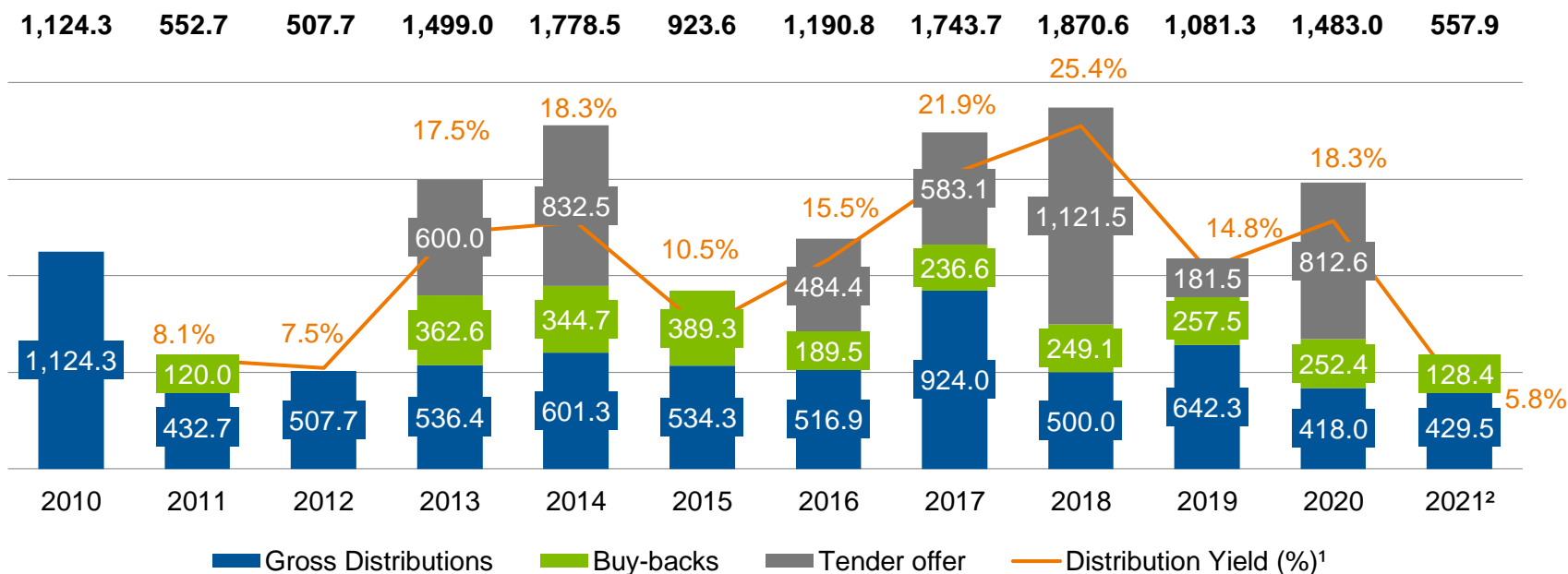
Corporate Actions



Distributions to shareholders



Annual Distributions to Shareholders (RON mn)



The total distributions through buy-backs and cash would amount to RON 14.3 bn/USD 3.8 bn³

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

Note: Values exclude related acquisition fees. USD values based on the NBR average USD/RON FX for each year. For 2021, average USD/RON FX as at 19 April.

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 19 April and average number of paid shares excluding Treasury shares as at 16 April.

2. Based on buy-backs as at 16 April, Alternative Investment Fund Manager cash distribution proposal for FY 2020 of RON 0.072/share submitted for shareholders' approval during the Annual GSM on 28 April 2021 and number of paid shares excluding Treasury shares as at 16 April.

3. As at 16 April 2021.

- The Fund incurred an accounting loss of RON 102.98 mn for the 2020 FY. The accounting loss will be covered from 2016 unallocated profit, subject to shareholders' approval.
- Although there is no distributable profit as per the statutory annual financial statements for the year ended 31 December 2020, the Investment Manager remains committed to ensure an annual cash distribution to the Fund's shareholders.
- Taken into consideration:
 - the distributable amounts and the need to maintain additional reserves to cover the losses from the future buy-backs cancellation,
 - the other ongoing Discount Control Mechanism measures (e.g. buy-backs),
 - the estimated available cash,the Investment Manager's proposal is a gross special dividend distribution of **RON 0.0720** per share, in line also with the Annual Cash Distribution Policy.
- Main dates related to the proposed gross cash distribution:
 - 27 May 2021 as the Ex – Date;
 - 28 May 2021 as the Registration Date;
 - 22 June 2021 as the Payment Date.

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	2019	2020	0.06420	0.06099
Special Dividend ²	2020	Starting 22 June 2021	0.07200	0.06840
Total			0.73674	0.69123

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 – 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 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 2021 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
Eleventh	1 Jan – 31 Dec 2020	Finalized	797.96 mn/11.07%	1.3347 ²	Auerbach Grayson, Swiss Capital	Cancellation of shares submitted for shareholders' approval in the 28 April 2021 Annual GSM
Twelfth	1 Jan – 31 Dec 2021	Ongoing	800.00 mn/11.10%	1.5527 ³	Auerbach Grayson, Swiss Capital	The cancellation of shares will be subject to shareholders' approval in 2022

Source: Alternative Investment Fund Manager current reports, Alternative 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 16 April 2021. Based on the 82,669,050 shares repurchased (61,309,100 ordinary shares and 21,359,950 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
Total Dividends from Listed Companies (RON mn)	373.9	538.6	251.5	36.0	148.1	199.6	223.0	200.2
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
Total Annual Dividend Income (RON mn)	649.7	682.1	567.4	351.2	552.6	566.5	673.7	525.0
Total Special Dividend Income (RON mn)	-	-	-	-	185.2	199.5	259.3	683.1
Total Dividends (RON mn)	649.7	682.1	567.4	351.2	737.8	766.0	933.0	1,208.1
Total Annual Dividend Income per Share (RON) ¹	0.04954	0.05674	0.05310	0.0331	0.0750	0.0797	0.1035	0.0880
Total Special Dividend Income per Share (RON) ¹	-	-	-	-	0.0251	0.0281	0.0398	0.1144
Dividend/Distribution per Share (RON)	0.05000	0.05000	0.05000	0.05000	0.0678	0.0903	0.0642	0.0720¹⁰
Share Price (RON)	0.7640 ³	0.8130 ⁴	0.7200 ⁵	0.9180 ⁶	0.8990 ⁷	1.0150 ⁸	1.1850 ⁹	1.6760 ¹¹
Yield	6.54%	5.84%	6.94%	8.76%	7.54%	8.90%	5.42%	4.30% 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 2020, the calculation is based on the number of paid shares excluding treasury shares acquired as at 16 April 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. Investment Manager cash distribution proposal for FY 2020 submitted for shareholders' approval during the Annual GSM on 28 April 2021.

11. As at 19 April 2021.

Financial results



Statement of Financial Position

RON mn	31 December 2019 Audited	31 December 2020 Audited
Cash and current accounts	31.9	34.4
Deposits with banks	338.4	660.0
Government bonds	137.3	380.3
Equity investments	11,413.1	9,246.7
Other assets	0.3	0.6
Total assets	11,921.0	10,322.0
Payables	16.7	19.8
Other liabilities	32.8	35.3
Total liabilities	49.5	55.1
Total equity	11,871.5	10,266.9
Total liabilities and equity	11,921.0	10,322.0

Statement of Comprehensive Income

RON mn	2019 Audited	2020 Audited
Gross dividend income	942.9	1,218.7
Net unrealised gain/ (loss) from equity investments at fair value through profit or loss	2,260.3	(1,103.2)
Net realised gain/ (loss) from disposal of equity investments at fair value through profit or loss	9.9	(142.6)
Interest income	9.9	14.0
(Impairment losses)/ Reversal of impairment losses on receivables, net	(10.3)	(0.2)
Other income/ (expenses), net ¹	3.4	3.2
Net operating (loss)/ income	3,216.1	(10.1)
Administration fees recognised in profit or loss	(50.3)	(55.2)
Other operating expenses	(25.6)	(27.1)
Operating expenses	(75.9)	(82.3)
Finance costs	(0.4)	(0.1)
(Loss)/ Profit before income tax	3,139.8	(92.5)
Income tax expense	(9.9)	(10.5)
(Loss)/ Profit for the year	3,129.9	(103.0)
Total comprehensive income for the year	3,129.9	(103.0)

Source: FP Annual Sole Director's Report 2020.

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).

Annual GSM Agenda



28 April 2021 Annual GSM agenda – Main points

EGM agenda

- The approval of an amendment to the Constitutive Act of Fondul Proprietatea

- The approval of the decrease of the subscribed share capital of Fondul Proprietatea from RON 3,749,282,292.08 to RON 3,334,342,422.84 pursuant to the cancellation of 797,961,287 own shares acquired by Fondul Proprietatea during 2020

OGM agenda

The presentation by:

- The Alternative Investment Fund Manager of the Performance Report for the period 1 January – 31 December 2020; and
- The Board of Nominees of its annual report for 2020 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 2020

- The approval to cover the accounting loss of RON 102,978,968 incurred in 2020 financial year

- The approval of the distribution of a gross special dividend of RON 0.072 per share, in accordance with the supporting documentation, subject to the approval of the coverage of the negative reserves, and coverage of the accounting loss

- The approval to allocate to other reserves an amount to be used for covering the negative reserves estimated to arise from the cancellation of treasury shares acquired during 2020 through the 11th buy-back programme

OGM agenda

- 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 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 2021, 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)
 - The approval to cover the negative reserves incurred in 2020 financial year derived from the cancelation of treasury shares, in accordance with the supporting materials
 - The approval of the Remuneration Policy of Fondul Proprietatea
 - The appointment of Ernst & Young Assurance Services SRL as the financial auditor of Fondul Proprietatea, setting the duration of the financial audit agreement for the period starting with 1 July 2022 to 31 August 2025; and setting the scope of work of the financial audit agreement: audit of the financial statements of Fondul Proprietatea for 2022, 2023 and 2024 financial years
- The approval of:
- 25 May 2021 as the Ex – Date;
 - 28 May 2021 as the Registration Date;
 - 22 June 2021 as the Payment Date.

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The price of shares and income from them can go down as well as up and you may lose some or all of your capital invested. The previous results of a fund or company do not account for future performances. Currency fluctuations will affect the value of foreign investments. All investments are subject to certain risks. Generally, investments offering the potential for higher returns are accompanied by a higher degree of risk. Stocks and other equities representing an ownership interest in a corporation have historically outperformed other asset classes over the long term but tend to fluctuate more dramatically over the shorter term. Small or relatively new companies can be particularly sensitive to changing economic conditions due to factors such as relatively small revenues, limited product lines, and small market share. Smaller company stocks have historically exhibited greater price volatility than larger company stocks, particularly over the short term. The significant growth potential offered by Emerging Markets remains accompanied by heightened risks when compared to developed markets, including risks related to market and currency volatility, adverse social and political developments, and the relatively small size and lesser liquidity of these markets.

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.

This presentation herein is issued by FTIS , acting through its Romanian branch having its registered office at 78-80 Buzesti Str., 8th floor, 1st. District, 011017, Bucharest, Romania.

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