



# Fondul Proprietatea – Annual General Shareholders Meeting

30 April 2024



## Performance report

**FONDUL**  
PROPRIETATEA



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# Report on the Discount objective



# Discount objective

## Objective

- The discount between the closing price for each trading day on the BVB, 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 2023 – 31 December 2023.

## 2023 monitoring

- In the period between 1 January 2023 and 31 December 2023, the discount to NAV was above 15% in all trading days.

## Discount evolution

	Discount at 3 January 2023	Discount at 31 December 2023	Average Discount 3 January 2023 – 31 December 2023	Discount Range 3 January 2023 – 31 December 2023
Share price <sup>1</sup>	-18.8%	-17.5%	-23.9%	min -15.6%/ max -84.0%
GDR <sup>1</sup>	-20.1%	-18.6%	-24.5%	min -15.6%/ max -84.5%

	Average Discount 3 January 2023 – 31 December 2023	Discount Range 3 January 2023 – 31 December 2023
Share price <sup>2</sup>	-22.8%	min -15.6%/ max -39.7%
GDR <sup>2</sup>	-23.4%	min -15.6%/ max -40.8%

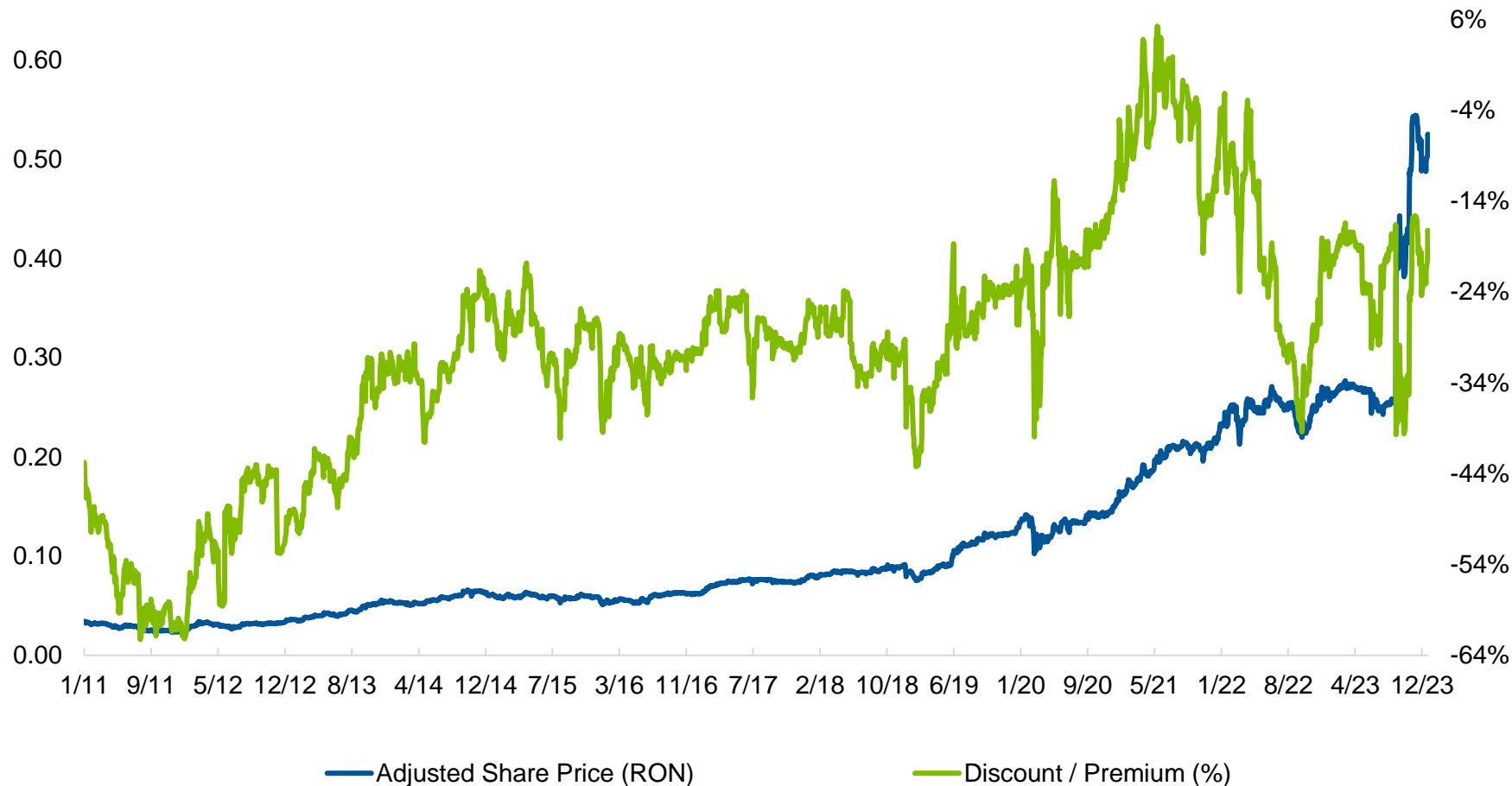
The table presents information regarding the average discount and discount range under the assumption that the discount for 7-14 September 2023 is calculated based on 31 August 2023 NAV (in order to eliminate the mismatch between the NAV and FP BVB market price adjustment).

Source: Fund Manager calculations.

Notes:

- The discount is calculated according to the IPS.
- The discount is calculated according to the IPS, based on the latest published NAV per share available for the day of the calculation except for the period 7-14 September 2023, when discount is calculated based on 31 August 2023 NAV, published on 15 September 2023.

# Share price and Discount / Premium evolution



— Adjusted Share Price (RON)

— Discount / Premium (%)

Source: BVB, Bloomberg, Fund Manager calculations.

Note: The discount is calculated according to the IPS, based on the latest published NAV per share available for the day of the calculation except for the period 7-14 September 2023, when discount is calculated based on 31 August 2023 NAV, published on 15 September 2023.

## Measures taken

### Investor Relations

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



**Distributed RON 11.27 billion to the Fund's shareholders during 1 January 2023 – 31 December 2023 via:**

#### Dividend Distributions

Special gross dividend distribution to shareholders of **RON 9,180.3 million** or RON 1.7225 per share – payment started on 29 September 2023.

Gross dividend distribution to shareholders of **RON 269.8 million** or RON 0.05 per share – payment started on 6 June 2023.

#### Buy-backs

Executed the 14<sup>th</sup> buy-back programme through daily share repurchases of up to 25% of the average daily trading volume for the last 20 trading sessions and two Tender Offers for 1,895 million shares. The total acquisition cost at trade price (excluding transaction costs) of the buy-back program was **RON 1,186.7 million**.

#### Total amount distributed

(Including buy-backs and dividend distributions) is **RON 11,266.8 million**, i.e., 479.4% of the Fund's NAV as at 31 December 2023.

# Creating liquidity at the portfolio level during the reporting period



Source: Fund's results reports.

# Distributions to shareholders

RON	Distributions to shareholders in the period 1 January 2023 – 31 December 2023 (excluding related costs)	Expenses related to distributions recorded in the period 1 January 2023 – 31 December 2023 <sup>1</sup>	Total	% of the NAV as at 31 December 2022	% of the average market capitalization as at 31 December 2023
Buyback program 14	1,816,723,906	56,469,374	1,873,193,280	12.86%	100.71%
2023 Dividend <sup>2</sup>	269,837,832	4,722,162	274,559,994	1.88%	14.76%
Special Dividend <sup>3</sup>	9,180,252,728	160,654,423	9,340,907,151	64.11%	502.20%
<b>Total</b>	<b>11,266,814,466</b>	<b>221,845,959</b>	<b>11,488,660,425</b>	<b>78.85%</b>	<b>617.67%</b>

Source: Fund's current reports.

1. Includes the Central Depository commission and the distribution commission invoiced by FTIS for the distribution of dividends and for daily buy-backs/tender offers performed during the year.
2. Dividend distribution of RON 0.05 per share approved by the Fund's shareholders during the 21 April 2023 Annual GSM, with Ex-Date on 11 May 2023, Registration Date on 12 May 2023 and Payment Date on 6 June 2023.
3. Special dividend distribution of RON 1.7225 per share approved by the Fund's shareholders during the 18 August 2023 OGM, with Ex-Date on 7 September 2023, Registration Date on 8 September 2023 and Payment Date on 29 September 2023.



# Share buybacks

## Buyback programme

No.	Period	Status	No. of shares repurchased	Average share price (RON/share)	Acquisition cost of shares repurchased, excluding transaction costs (RON)	Broker	Cancellation of shares <sup>1</sup>
14 <sup>th</sup>	Jan – Dec 2023	Finalized	2,112,378,889	0.8600 <sup>2</sup>	1,816,723,906.22	Auerbach Grayson, Swiss Capital	The cancellation of shares is subject to shareholders' approval in the 30 April 2024 Annual GSM

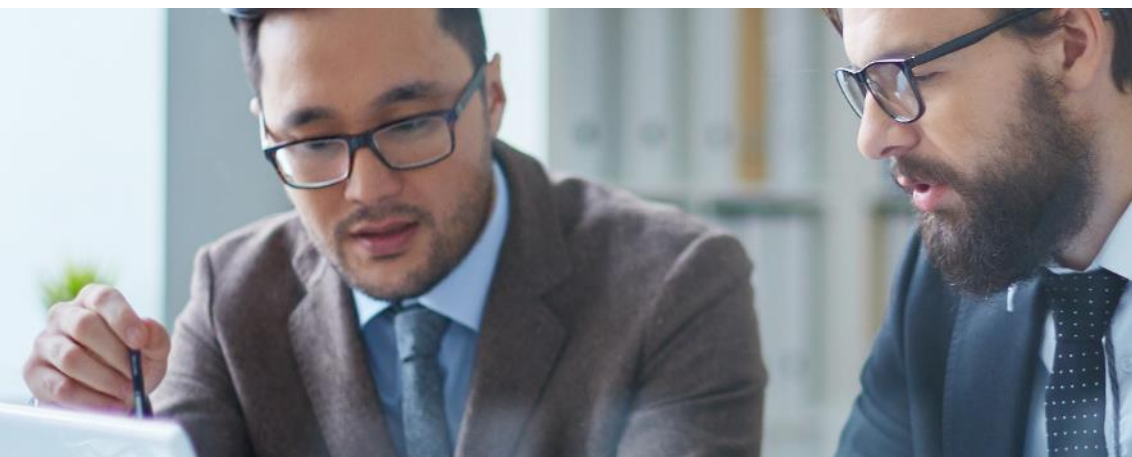
## Tender offers

No.	Subscription period	Size	Purchase price	Allocation method and Ratio	Consortium
11 <sup>th</sup>	10 February – 13 March 2023	225,000,000 shares in the form of shares and / or GDRs <ul style="list-style-type: none"> <li>• 132,875,150 in the form of shares and</li> <li>• 92,124,850 shares in the form of GDRs, namely 1,842,497 GDRs</li> </ul>	RON 2.19 per share and the USD equivalent of RON 109.50 per GDR	Pro-rata, 0.1818529681	<ul style="list-style-type: none"> <li>• Swiss Capital S.A. – Intermediary</li> <li>• Swiss Capital S.A. and Auerbach Grayson – Deal Managers</li> <li>• The Bank of New York Mellon – GDR Tender Agent</li> </ul>
12 <sup>th</sup>	31 October – 5 December 2023	1,670,000,000 shares in the form of shares and / or GDRs <ul style="list-style-type: none"> <li>• 1,560,550,300 in the form of shares and</li> <li>• 109,449,700 shares in the form of GDRs, namely 2,188,994 GDRs</li> </ul>	RON 0.6319 per share and the USD equivalent of RON 31.5950 per GDR	Pro-rata, 0.4753652433	<ul style="list-style-type: none"> <li>• Swiss Capital S.A. – Intermediary</li> <li>• Swiss Capital S.A. and Auerbach Grayson – Deal Managers</li> <li>• The Bank of New York Mellon – GDR Tender Agent</li> </ul>

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 2,112,378,889 shares repurchased (1,892,873,339 ordinary shares and 219,505,550 equivalent shares of the GDRs repurchased).

## Investor Relations activity



Communication between the Fund Manager and investors remains our top priority as we aim to ensure that investors are informed about the latest developments and obtain feedback as we continue to focus on maximizing shareholder value

**During the Reporting Period, the Fund Manager continued its efforts to increase the visibility and the profile of the Fund, as well as the local capital market, and Romania, to a broader international institutional investor base, and to keep investors and shareholders up to date on the Fund, its corporate actions, and its main portfolio holdings.**



Organized 10 road-shows in the United States and the United Kingdom and met with 76 investment professionals



Organized 4 conference calls with analysts and investors on the Fund's latest updates and financial results



Participated to 7 regional and global emerging and frontier market conferences, as well as dedicated conferences for closed-end funds, where we discussed with representatives of 44 international asset managers



Held 73 additional conference calls and 36 in-person meetings with analysts, brokers, current and prospective investors interested in the latest developments regarding the Fund's corporate actions and its portfolio companies



# Report on the NAV objective

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# NAV objective

## Objective

- The Adjusted NAV per share at 31 December 2023 to be higher than NAV per share as at 31 December 2022 (RON 2.5701 per share).

## 2023 monitoring

- The Adjusted NAV per share as at 31 December 2023 is 31.5% higher than the NAV per share as at 31 December 2022.

NAV Objective	Amount RON	Details
<b>Total NAV as at 31 December 2023</b>	<b>2,350,138,488</b>	
Dividend distributions after 31 December 2022	9,450,090,560	Gross dividend distributions of (1) RON 0.05 per share with Payment Date 6 June 2023 and of (2) RON 1.7225 per share with Payment date 29 September 2023
Distribution fees for dividend distributions performed after 31 December 2022	165,046,268	Distribution fee for the 2 dividend distributions mentioned above
Distribution fees for buy-backs after 31 December 2022	36,015,541	Distribution fees for buy-backs
Costs related to buy-backs after 31 December 2022	20,774,299	Fees related to the buy-back programmes, excluding the distribution fees for buy-backs
Costs related to dividends paid after 31 December 2022	140,922	Central Depository and Paying Agent fees
<b>Total Adjusted NAV 31 December 2023</b>	<b>12,022,206,078</b>	
Number of Fund's paid shares, less treasury shares and GDRs held as at 31 December 2023	3,556,427,239	
<b>Adjusted NAV per share as at 31 December 2023</b>	<b>3.3805</b>	
<b>NAV per share as at 31 December 2022</b>	<b>2.5701</b>	
<b>Variation</b>	<b>0.8104</b>	
<b>%</b>	<b>31.5%</b>	

Source: Fund Manager calculations.

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.





# Fund Information



# Key Facts



## Fund Details

31 March 2024 NAV	RON	USD
Total NAV	<b>2.34 bn</b>	<b>0.51 bn</b>
NAV/Share	<b>0.6569</b>	<b>0.1426</b>
<b>Key trading figures as at 29 April 2024</b>		
Price/Share	<b>0.5170</b>	<b>0.1113</b>
Price/GDR	<b>25.31</b>	<b>5.45</b>
Market Capitalization <sup>1</sup>	<b>1.83 bn</b>	<b>0.40 bn</b>
(Discount)/Premium per Share	<b>(21.30)%</b>	
(Discount)/Premium per GDR	<b>(23.56)%</b>	
<b>Dividend Yield<sup>2</sup></b>		
Dividend / share (RON)	<b>0.06</b>	
Dividend yield <sup>3</sup>	<b>11.61%</b>	



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



Source: FP March 2024 Factsheet, BVB and Bloomberg, NBR for the RON/USD FX rate, Fund Manager calculations.

Note 1: The discount/premium is calculated based on the latest published NAV available for the day of the calculation, according to the IPS.

Note 2: The USD values are calculated based on the NBR FX as at the day of the calculation.

1. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs repurchased as at 26 April 2024.

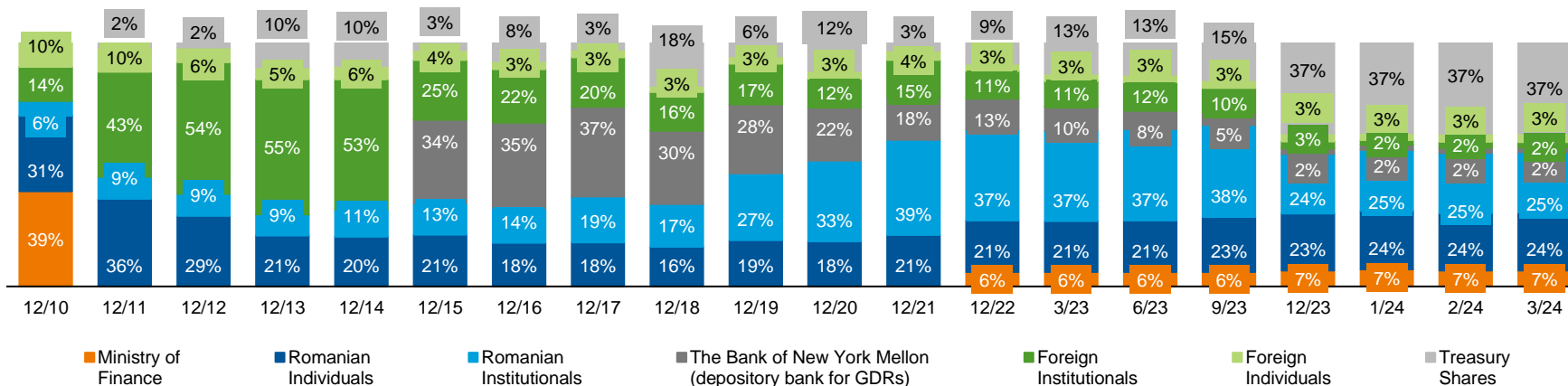
2. Gross dividend distribution submitted for shareholders' approval in the 30 April 2024 Annual GSM.

3. Based on FP share price as at 29 April 2024.

# Shareholder structure



## Evolution (% Held)<sup>1</sup>



## Largest Shareholders<sup>2</sup>

NN Private Pension Funds	11.24%
Ministry of Finance	5.97%
Silver Point Capital Funds	4.89%
Metropolitan Life Pension and Metropolitan Insurance	4.74%
Allianz-Tiriac Private Pension Funds and Allianz Țiriac Asigurări	4.13%
<b>Total Number of Shareholders<sup>3</sup></b>	<b>22,795</b>

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

- Note: Based on the paid share capital starting December 2011. Source: FP shareholder structure reports.
- Based on the total voting rights as declared by shareholders through the ownership disclosures submitted on: 22 December 2023 by Metropolitan Life Pension Fund and Metropolitan Insurance, 12 December 2023 by Allianz-Tiriac Private Pension Funds and Allianz Țiriac Asigurări, 5 April 2023 by Silver Point Capital Funds, 11 April 2022 by NN Private Pension Funds and 1 April 2022 by Ministry of Finance.
- Source: FP shareholder structure report as at 31 March 2024.

# NAV, Share price and GDR Performance



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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD <sup>2</sup>	Since Performance Inception <sup>2</sup>
NAV (RON)	(0.5)%	8.9%	13.3%	1.4%	(0.6)%	7.3%	13.1%	19.9%	31.2%	2.2%	47.8%	19.1%	(2.4)%	(0.6)%	312.9%
Share Price (RON)	(30.3)%	38.3%	61.3%	14.5%	(4.1)%	4.9%	21.5%	9.9%	49.1%	37.8%	48.5%	12.2%	45.0%	(0.6)%	983.2%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.2%	35.9%	(1.9)%	41.4%	48.5%	42.0%	3.9%	34.9%	(5.3)%	331.3%



## Average Discount to NAV

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD <sup>3</sup>	Current <sup>3</sup>
Share Price	(55.7)%	(50.1)%	(40.7)%	(30.9)%	(29.1)%	(32.1)%	(28.1)%	(29.5)%	(29.4)%	(21.1)%	(5.7)%	(21.6)%	(23.9)%	(21.5)%	(21.3)%
GDR	N/A	N/A	N/A	N/A	(29.6)%	(30.0)%	(27.0)%	(29.8)%	(30.7)%	(21.7)%	(7.6)%	(22.4)%	(24.5)%	(24.2)%	(23.6)%

Source: BVB, Bloomberg, FP Factsheets.

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 2024.

3. As at 29 April 2024, calculated in accordance with the IPS.



# Portfolio

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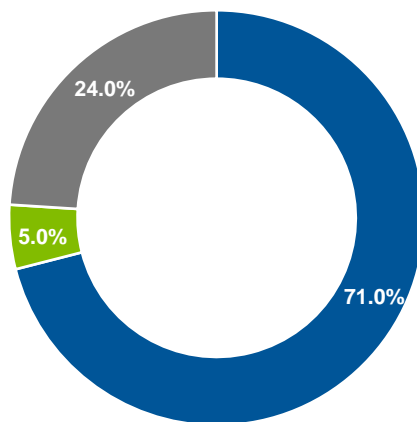
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# Portfolio Structure



## Listed vs Unlisted

(% of NAV as at 31 March 2024)<sup>1</sup>

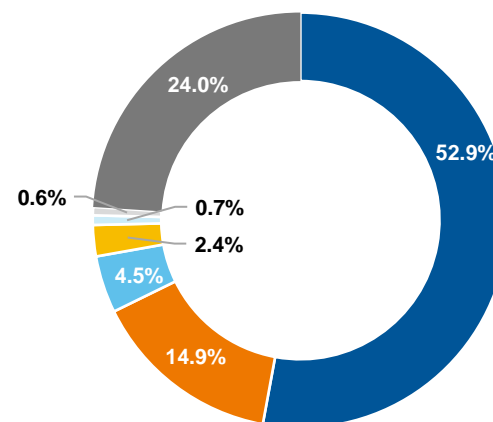


■ Unlisted ■ Listed ■ Net Cash & receivables



## By Sector

(% of NAV as at 31 March 2024)<sup>1</sup>



■ Infrastructure ■ Power utilities: Generation  
 ■ Heavy Industry ■ Postal Services  
 ■ Aluminium ■ Others  
 ■ Net Cash & Receivables

- As at 31 March 2024, the portfolio included stakes in 24 companies (5 listed and 19 unlisted).
- The net cash and receivables as at 31 March 2024 was USD 121.6 million<sup>2</sup>.

1. Source: FP March 2024 Factsheet.

2. Source: 31 March 2024 NAV report, based on the NBR RON/USD FX rate as at 31 March 2024.



# Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% FP Stake <sup>1</sup>	NAV as at 31 March 2024 (USD mn)	% in NAV as at 31 March 2024
Bucharest Airports	Unlisted	Romanian State	20.0%	190.5	37.6%
Constanta Port	Unlisted	Romanian State	20.0%	71.2	14.1%
Salrom	Unlisted	Romanian State	49.0%	69.1	13.6%
Alro SA	Listed	Vimetco PLC	10.2%	22.5	4.5%
Complexul Energetic Oltenia SA	Unlisted	Romanian State	11.8%	12.3	2.4%
<b>Top Portfolio Holdings</b>				<b>365.7</b>	<b>72.1%</b>
<b>Net Cash and Receivables</b>				<b>121.6</b>	<b>24.0%</b>
<b>Total NAV</b>				<b>507.0</b>	
<b>NAV Per Share (USD)</b>				<b>0.1426</b>	

Source: FP March 2024 Factsheet.

Note: Values in USD calculated using the NBR RON/USD FX rate as at 31 March 2024.

1. Based on the FP 31 December 2023 Detailed Statement of Investments.

# Largest Holdings by NAV – Net result evolution

Top Holdings <sup>1</sup>	Net Profit (RON mn)				
	2019	2020	2021	2022	2023
Bucharest Airports	359.6	(146.4)	34.0	304.0	453.3 <sup>2</sup>
Constanta Port	108.2	130.3	130.5	114.5	195.4 <sup>2</sup>
Salrom	77.0	11.5	60.2	120.7	130.6 <sup>2</sup>
Alro SA	(67.2)	334.8	26.3	409.5	(561.7) <sup>3</sup>
Complexul Energetic Oltenia SA	(798.1)	(939.4)	(1,523.3)	3,499.9	1,018.1 <sup>4</sup>
<b>Total</b>	<b>(320.5)</b>	<b>(609.2)</b>	<b>(1,272.3)</b>	<b>4,448.6</b>	<b>1,235.7</b>

Source: Companies' annual individual financial statements, except for Alro where consolidated is displayed, Fund Manager calculations.

1. As at 31 March 2024. Source: FP March 2024 Factsheet.
2. Subject to shareholders' approval.
3. Results based on the annual report published by the company as approved by shareholders.
4. Preliminary figures for 2023 are extracted from the company's budget document for 2024 as approved by shareholders.

# Hidroelectrica IPO – a milestone transaction in Europe

## Transaction Details

<b>Name of Company:</b>	Hidroelectrica S.A.
<b>Country:</b>	Romania
<b>Sector:</b>	Utilities - Renewables
<b>Offering type:</b>	IPO
<b>Existing shareholders pre transaction:</b>	<ul style="list-style-type: none"> <li>■ Fondul Proprietatea ("Fondul"): 19.94 %</li> <li>■ Romanian State: 80.06%</li> </ul>
<b>Selling Shareholder:</b>	Fondul Proprietatea
<b>Offering structure:</b>	<ul style="list-style-type: none"> <li>■ Retail offering in Romania</li> <li>■ Offering to institutional investors according to Reg S in Europe and to Rule 144A in the USA</li> </ul>
<b>Offered shares:</b>	Up to 89.7m existing shares, 19.94% of share capital
<b>Greenshoe:</b>	15% of the total offering
<b>Free float:</b>	19.94% post transaction
<b>Indicative price range:</b>	RON 94 to 112
<b>Revised price range:</b>	RON 103 to 104
<b>Offer price:</b>	RON 104
<b>Transaction size:</b>	EUR 1.9bn (RON 9.4bn)
<b>Lock-up:</b>	<ul style="list-style-type: none"> <li>■ Fondul: 180 days</li> <li>■ Company: 180 days</li> <li>■ Ministry of Energy: 365 days</li> </ul>
<b>Cornerstones:</b>	3 Romanian institutional investors committed to purchase in aggregate RON 2.24bn (c. EUR 450m) at the final offer price
<b>Listing shares:</b>	Bucharest Stock Exchange

## Key highlights




- Backed by strong local and international long-only demand from 167 investors, order book was multiple times oversubscribed throughout the price range, allowing to price the deal at the **upper half** of the range
- The deal represents the largest IPO in Europe in 2023, the largest IPO in Romania as well as the third largest IPO in CEE to date
- Strong demand from retail investors of EUR 1.17bn, resulted in allocation of 20% of the overall transaction

## Timeline

<b>6 June 2023</b>	Intention to Float (ITF)
<b>6 June – 22 June 2023</b>	Pre Deal Investor Education (PDIE)
<b>22 June 2023</b>	Price range announcement / Prospectus publishing
<b>23 June – 3 July 2023</b>	Management roadshow (institutional clients)
<b>23 June – 4 July (noon) 2023</b>	Institutional and Retail Bookbuilding
<b>10 July 2023</b>	Settlement
<b>12 July 2023</b>	Start of trading

Source: Erste group – Equity Capital markets

# Hidroelectrica IPO – a milestone transaction in Europe

Largest IPO in Romanian history				Third largest IPO in history on a CEE Exchange					Largest IPO in Europe for 2023YTD				
Company	Industry	Pricing Date	Deal Size (EURmn)	Company	Industry	Pricing Date	Country	Deal Size (EURmn)	Company	Industry	Pricing Date	Country	Deal Size (EURmn)
 HIDROELECTRICA	Utility & Energy	5 July 2023	1,885		E-commerce	29 Sept 2020	Poland	2,318	 HIDROELECTRICA	Utility & Energy	5 July	Romania	1,885
	Electricity Distribution	27 June 2014	444		Banking	29 April 2010	Poland	2,053		Gaming	28 April	Italy	600
	Gas E&P	1 November 2013	391	 HIDROELECTRICA	Utility & Energy	5 July 2023	Romania	1,885		Utility & Energy	5 July	Germany	526
	Telecommun.	11 May 2017	191		Banking	04 Nov 2004	Poland	1,776		Computers & Electronics	8 February	Italy	409
 A&D Pharma Holdings	Pharma	19 October 2006	136		Mining	06 May 2008	Czechia	1,608		Computers & Electronics	7 February	Germany	389
	Transportation	16 November 2021	74		Electricity generation and transm.	27 Oct 2009	Poland	1,427		Financial Services	6 July	UK	341

Source: Dealogic

## Bucharest Airports – Update

Financial performance	2016	2017	2018	2019	2020	2021	2022	2023 <sup>1</sup>	% y.o.y.
Operating revenues (RON mn)	754.7	890.9	992.6	1,066.6	405.6	578.0	999.6	1,206.8	20.7%
Operating result (RON mn)	263.6	337.6	445.9	399.0	(175.3)	40.8	345.8 <sup>2</sup>	499.7	44.5%
Net Income / Loss (RON mn)	224.7	290.7	371.8	359.6	(146.4)	34.0	304.0	453.3	49.1%
Number of passengers (mn)	10.99	12.84	13.84	14.73	4.47	6.92	12.61	14.70	16.6%

- Net income has reached **record high levels for FY 2023** of **RON 453.3 million**, an **increase of 49% year-over-year**. The main driver for the improved profitability was the higher passenger traffic, which **recovered to pre-Covid levels**, reaching **14.7 million passengers, up 17% year-over-year**.
- **Litigation:** On 7 March 2024, the Bucharest Court of Appeal ruled in favor of the Fund to annul the shareholders resolution no. 15/26.10.2021 related to the share capital increase with certain land plots. The Bucharest Court of Appeal's decision is final.
- **Corporate Governance:** All Board members have interim mandates. The selection process has started, and it is expected to be finalised in the coming months.

Source: Individual IFRS financial statements.

1. Subject to shareholders' approval.
2. Restated figures.



## Constanta Ports – Update

Financial performance	2016	2017	2018	2019	2020	2021	2022	2023 <sup>1</sup>	% y.o.y.
Operating revenues (RON mn)	314.0	330.5	345.2	369.0	398.8	418.9	510.4 <sup>2</sup>	571.2	11.9%
Operating profit (RON mn)	54.8	93.8	95.8	117.0	145.9	140.6	131.5	195.9	49.0%
Net Income (RON mn)	36.8	79.7	75.7	108.2	130.3	130.5	114.5	195.4	70.7%
Total traffic (thousands tons)	59.4	58.4	61.3	66.6	60.4	67.5	75.6	92.5	22.4%

- Traffic reached **92.5 million tons** in **2023**, an **increase of 22.4% year-over-year**, driven by traffic of Ukrainian merchandise, which **doubled year-over-year**, to approximately **25 million tons**. Higher traffic drove an improvement in profitability, which reached **RON 195.4 million**.
- **Corporate Governance:** All Board members have interim mandates. The selection process for full mandates has not yet started.

Source: Financial statements in accordance with applicable Romanian accounting regulations.

1. Subject to shareholders' approval.
2. Restated figures.

# Salrom – Update

Financial performance	2016	2017	2018	2019	2020	2021	2022	2023 <sup>1</sup>	% y.o.y.
Operating revenues (RON mn)	312.4	394.1	436.9	469.2	300.2	374.5	495.3	517.1	4.4%
Operating profit (RON mn)	36.3	107.3	93.5	84.6	15.8	70.1	134.4	140.8	4.8%
Net Income (RON mn)	30.1	81.1	76.4	77.0	11.5	60.2	120.7	130.6	8.2%

- **Corporate Governance:** Following finalization of the selection procedure for Board Members based on GEO no. 109/2011 by the Ministry of Economy, shareholders appointed during the GSM that took place on 23<sup>rd</sup> of February 2024 Board members for a period of 4 years. Fondul Proprietatea appointed 2 out of 5 members.
- **IPO:** The Fund continues to engage with the majority shareholder and the company in relation to preparations for a potential IPO.

Source: IFRS financial statements.  
1. Subject to shareholders' approval.



# Corporate Actions

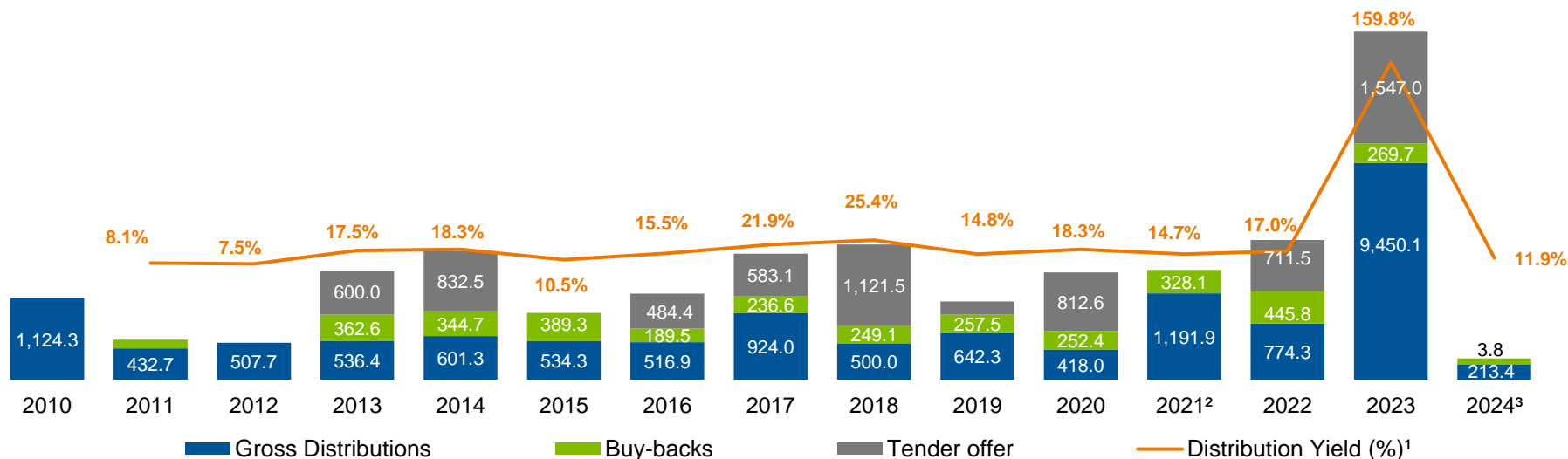


# Distributions to Shareholders



## Annual Distributions to Shareholders (RON mn)

1,124.3	552.7	507.7	1,499.0	1,778.5	923.6	1,190.8	1,743.7	1,870.6	1,081.3	1,483.0	1,519.9	1,931.5	11,266.8	217.2
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**The total distributions through buy-backs and cash would amount to RON 28.7 bn / USD 7.0 bn<sup>4</sup>**

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

Note: Values exclude related acquisition fees. USD values based on the NBR average USD/RON FX for each year. For 2024, average RON / USD FX as at 29 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 2024: average closing share price as at 29 April and average number of paid shares excluding Treasury shares as at 26 April.
2. 2021 Gross distributions figure refers to the 3 special gross distributions approved during the year.
3. Fund Manager estimations based on buy-backs as at 26 April 2024, RON 0.06 per share dividend distribution proposed for shareholders' approval during the 30 April 2024 Annual GSM and number of paid shares excluding Treasury shares as at 26 April 2024.
4. As at 29 April 2024, average NBR RON/USD FX as at 29 April 2024.

# Cash distribution recommendation for 2023 FY – RON 0.06/ share



## Main dates related to the proposed gross cash distribution

16 May 2024 as the Ex – Date

17 May 2024 as the Registration Date

7 June 2024 as the Payment Date

- Although there is no distributable profit as per the annual statutory financial statements for the year ended 31 December 2023, the Sole Director remains committed to ensure cash distributions to the Fund's shareholders. Thus, once the coverage of the accounting losses (which legally impede any distribution) is approved by the Fund's shareholders, the Sole Director's proposal, subject to shareholders' approval during the Annual GSM on 30 April 2024, is a gross cash distribution of **RON 0.06 per share** from Retained earnings.
- The Sole Director intends to use any cash inflows related to portfolio events occurring during 2024 to further implement the DCM techniques set out in the Fund's Investment Policy Statement such as by funding the buyback programme as approved by the Fund's shareholders, additional to the dividend proposal described above.

Source: 30 April 2024 Annual GSM documentation, Fondul Proprietatea Annual Cash Distribution Policy, Fondul Proprietatea Investment Policy Statement.

# 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	-	Starting 27 August 2021	0.07000	0.06650
Special Dividend	-	Starting 18 February 2022	0.06000	0.05700
Dividend	2021	Starting 27 June 2022	0.12500	0.11875
Dividend	2022	Starting 6 June 2023	0.05000	0.04600
Special Dividend	-	Starting 29 September 2023	1.72250	1.58470
Special Dividend <sup>1</sup>	-	Starting 7 June 2024	0.06000	0.05520
<b>Total</b>			<b>2.82424</b>	<b>2.61938</b>

Source: FP GSM Resolutions, Fund Manager calculations.

Note: Values resulted after applying the standard Romanian dividend withholding tax rate (amounting to 16% for the 2010 – 2013 dividend distributions, 5% for the 2018 – 2022 dividend distributions and 8% for the 2023 - 2024 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.

1. Dividend proposal submitted for shareholders' approval during the 30 April 2024 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 <sup>1</sup>
14 <sup>th</sup>	Jan – Dec 2023	Finalized	2.11 bn / 37.26%	0.8600 <sup>2</sup>	Auerbach Grayson, Swiss Capital	The cancellation of shares is submitted for shareholders' approval during the 30 April 2024 Annual GSM
15 <sup>th</sup>	8 April – 31 December 2024	Ongoing	1.00 bn / 17.64%	0.5167 <sup>3</sup>	Auerbach Grayson, Swiss Capital	The cancellation of shares will be subject to shareholders' approval in 2025

Source: Fund Manager current reports, Fund Manager calculations.

1. To be effective, the FSA endorsement is legally required, and the shareholders' resolution for the share capital decrease needs to be registered with the Trade Register.
2. As at 31 December 2023. Based on 2,112,378,889 shares repurchased (1,892,873,339 ordinary shares and 219,505,550 equivalent shares of the GDRs repurchased).
3. As at 26 April 2024. Based on 7,294,968 shares repurchased (5,884,268 ordinary shares and 1,410,700 equivalent shares of the GDRs repurchased).

# Total dividend income from portfolio companies

RON	FP Net Dividend										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 <sup>13</sup>
Total Dividends from Listed Companies (mn)	538.6	251.5	36.0	148.1	199.6	223.0	200.2	117.0	127.7	0.9	-
Total Dividends from Unlisted Companies (mn)	143.5	315.9	315.2	404.5	366.9	710.0	1,007.9	532.0	800.5	954.9	-
Total Annual Dividend Income (mn)	682.1	567.4	351.2	552.6	566.5	673.7	525.0	398.1	656.2	875.4	-
Total Special Dividend Income (mn)	-	-	-	185.2	199.5	259.3	683.1	250.9	272.0	80.4	-
<b>Total Dividends (mn)</b>	<b>682.1</b>	<b>567.4</b>	<b>351.2</b>	<b>737.8</b>	<b>766.0</b>	<b>933.0</b>	<b>1,208.1</b>	<b>649.0</b>	<b>928.2</b>	<b>955.8</b>	<b>-</b>
<b>Dividend / Distribution per Share</b>	<b>0.0500</b>	<b>0.0500</b>	<b>0.0500</b>	<b>0.0678</b>	<b>0.0903</b>	<b>0.0642</b>	<b>0.2020<sup>7</sup></b>	<b>0.1250</b>	<b>0.0500<sup>10</sup></b>	<b>1.7225<sup>12</sup></b>	<b>0.0600<sup>14</sup></b>
Share Price	0.8130 <sup>1</sup>	0.7200 <sup>2</sup>	0.9180 <sup>3</sup>	0.8990 <sup>4</sup>	1.0150 <sup>5</sup>	1.1850 <sup>6</sup>	1.8520 <sup>8</sup>	1.9880 <sup>9</sup>	2.0350 <sup>11</sup>	1.9840 <sup>12</sup>	0.5170 <sup>15</sup>
Dividend / Distribution Yield	5.84%	6.94%	8.76%	7.54%	8.90%	5.42%	11.02% <sup>8</sup>	6.29% <sup>9</sup>	2.46% <sup>11</sup>	86.82% <sup>12</sup>	11.61% <sup>15</sup>

Source: Fund Manager calculations, portfolio companies' GSM decisions for approving dividend payments.

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

1. As at 29 May 2015.

2. As at 9 June 2016.

3. As at 6 June 2017.

4. As at 11 June 2018.

5. As at 10 June 2019.

6. As at 10 June 2020.

7. Includes the three special dividends distributions approved in 2021 by shareholders.

8. Average share price based on the share price as at the Registration dates for the three special dividend distributions approved in 2021. Dividend yield calculated as total dividend yield for the three special dividend distributions approved in 2021.

9. As at 3 June 2022.

10. Gross dividend distribution approved in the 21 April 2023 Annual GSM.

11. Based on FP share price as at 12 May 2023, the Registration date for the RON 0.05 dividend per share distribution approved by shareholders during the 21 April 2023 Annual GSM.

12. Distribution approved by shareholders in the 18 August 2023 OGM. Yield calculated based on the FP share price as at 6 September 2023.

13. As at 29 April 2024.

14. Gross dividend distribution submitted for shareholders' approval in the 30 April 2024 Annual GSM.

15. Based on FP share price as at 29 April 2024.

# Implementation of FSA's request to inform the shareholders on the amendments brought to the Fund's Constitutive Act

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## Implementation of FSA's request to inform the shareholders on the amendments brought to the Fund's Constitutive Act

We inform the shareholders that the amendments brought to the Fund's Constitutive Act, as approved by the Resolution no. 4/25.09.2023 of the Shareholders' Extraordinary General Meeting, were implemented in the updated Constitutive Act as at 19 January 2024 on the basis of the Financial Supervisory Authority's Authorization no. 6 of 19 January 2024.

The updated Constitutive Act was published in the Official Gazette of Romania, Part IV, no. 581 of 5 February 2024 and is available on the Fund's website at: [https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/corporate-governance/Constitutive%20Act\\_30%20Jan%202024.pdf](https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/corporate-governance/Constitutive%20Act_30%20Jan%202024.pdf).

Source: FSA's Letter no. DG 16507.6/22.01.2024.



## Financial results

# Independent Auditor Report (Extract)



## Report on the Audit of the Financial Statements

### Ernst & Young Assurance Services SRL

#### Opinion

We have audited the financial statements of Fondul Proprietatea S.A. (the Fund) with official head office in 76-80 Buzesti Street, District 1, Bucharest, Romania, identified by sole fiscal registration number 18253260, which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the Financial Supervisory Authority ("FSA") Norm no. 39/ 2015, regarding the approval of the accounting regulations in accordance with International Financial Reporting Standards ("IFRS"), applicable to the entities authorised, regulated and supervised by the FSA from Financial Investments and Instruments Sector, with all subsequent modifications and clarifications.

Note: the full Independent Auditor Report related to the financial statements of the Fund for the year ended 31 December 2023 is available on the Fund webpage at the following link:  
<https://www.fondulproprietatea.ro/home/investor-relations/rezultate-financiare/annual-reports.html>

# Statement of Financial Position

RON mn	31 December 2023 Audited	31 December 2022 Audited	31 Dec 2023 vs. 31 Dec 2022 (%)
Cash and current accounts	0.1	0.1	-
Distributions bank accounts	547.5	73.8	>100%
Deposits with banks	191.4	912.6	(79.0)%
Government bonds	-	-	-
Equity investments	1,784.4	13,696.6	(87.0)%
Non-current assets held for sale	432.6	-	100.0%
Other assets	-	0.5	(100.0)%
<b>Total assets</b>	<b>2,956.0</b>	<b>14,683.6</b>	<b>(79.9)%</b>
Payable to shareholders	546.5	74.2	>100%
Other liabilities and provisions	67.3	39.9	68.7%
<b>Total liabilities</b>	<b>613.8</b>	<b>114.1</b>	<b>&gt;100%</b>
Total equity	2,342.2	14,569.5	(83.9)%
<b>Total liabilities and equity</b>	<b>2,956.0</b>	<b>14,683.6</b>	<b>(79.9)%</b>

Source: Audited IFRS financial statements of the Fund



# Statement of Comprehensive Income

RON mn	2023 Audited	2022 Audited
Net (loss)/ gain from equity investments at fair value through profit or loss	(1,612.3)	1,843.8
Gross dividend income	962.8	934.9
Interest income	157.5	25.1
Net gain/ (loss) from non-current assets held for sale	61.2	(157.0)
Net gain/ (loss) from other financial instruments at fair value through profit or loss	1.2	250.2
Other (expenses)/ income, net <sup>1</sup>	(0.1)	4.4
<b>Net operating (loss)/ income</b>	<b>(429.7)</b>	<b>2,901.4</b>
Administration fees recognised in profit or loss	(202.2)	(79.4)
Other operating expenses	(265.1)	(45.8)
<b>Operating expenses</b>	<b>(467.3)</b>	<b>(125.2)</b>
Finance costs	(0.1)	(0.1)
<b>(Loss)/ Profit before income tax</b>	<b>(897.1)</b>	<b>2,776.1</b>
Withholding tax on the dividend income	(7.0)	(6.7)
<b>(Loss)/ Profit for the year</b>	<b>(904.1)</b>	<b>2,769.4</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(904.1)</b>	<b>2,769.4</b>

Source: Audited IFRS financial statements of the Fund

1. This caption mainly includes the net foreign exchange gain/ (loss), annual income from the depositary bank of the Fund's GDRs and other operating income/(expenses).

# Disclaimer (I)

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This presentation is for general information only and reflects the personal views of the presenter. Nothing herein is intended to constitute advice on investment, legal or tax matters, any form of personal recommendation nor it should be construed as, constituting or forming part of, any actual offer to sell or issue, or any solicitation of any offer to purchase or subscribe for, or an invitation to buy or sell shares in Fondul Proprietatea SA (“the Fund”) or in any other issuer of securities mentioned herein or to initiate any kind of transaction whatsoever. Neither the Fund nor its Fund Manager (as defined below) and its delegates accept any liability of any kind for any losses arising from making use of such information. Furthermore, this presentation is not intended, and should not be construed, as marketing of the Fund in the meaning of the Directive 2011/61/EU on alternative investment fund managers (“AIFMD”) in any member states of the European Economic Area.

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The information contained in this presentation is as of its date, unless otherwise indicated, and is not a complete analysis of every material fact regarding the market, and any industry sector, security, or portfolio. Statements of fact cited by the Fund Manager have been obtained from sources considered reliable but no representation, warranty or undertaking is made as to the completeness or accuracy of such information and no liability is accepted by the Fund, the Fund Manager or any of its delegates in relation therewith. Furthermore, no responsibility is accepted for updating any facts or assumptions in this document. Because market and economic conditions are subject to rapid change, opinions provided are valid only as of the date of the materials. Any forward-looking statements are based upon certain assumptions; actual events are difficult to predict and are beyond the control of the Fund, therefore actual events may differ from those assumed. References to particular securities are only for the limited purpose of illustrating general market or economic conditions, as such exist at the date of this presentation, and are not recommendations to buy or sell a security or an indication of the Fund’s holdings. The Fund Manager’s or its delegates’ opinions are intended solely to provide insight into how the Fund Manager analyses securities and are not a recommendation or individual investment advice for any particular security, strategy or investment product. Opinions expressed are subject to change without notice and do not consider the needs of investors.

April 2024

## Disclaimer (II)

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No information hereof is to be considered, under any circumstances, as an information provided in accordance with Article 23 of the AIFMD as such was transposed by Article 22 of Law no. 74/2015 on managers of alternative investment funds.

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

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 the Fund 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 76 – 80 Buzesti street, 7th Floor, Bucharest, 1st District, 011017, Romania. Fund's Fiscal Identification Code is 18253260 and Trade Registry registration number is J40/21901/2005. The subscribed and paid-up share capital is RON 2,947,779,186.56.

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., a société à responsabilité limitée qualifying as an alternative investment fund manager under article 5 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8a, rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg register of commerce and companies under number B36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016 ("FTIS" or the "Fund Manager").

This presentation herein is issued by FTIS, acting through its Romanian branch having its registered office at 76 – 80 Buzesti street, 8th Floor, 1st District, 011017, Bucharest, Romania.

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