



FOR IMMEDIATE DISTRIBUTION: 15 NOVEMBER 2022

**FONDUL PROPRIETATEA FINANCIAL RESULTS FOR
THE QUARTER ENDED 30 SEPTEMBER 2022**

Bucharest, 15 November 2022 –Fondul Proprietatea (hereinafter “The Fund”) published today its financial results for the nine months ended on 30 September 2022 and would like to share the following highlights:

- **The profit for the 9-month period ended 30 September 2022** is RON 3,510.2 million compared with RON 3,097.7 million for the same period in 2021. The main contributor to the profit recorded in the first nine months of 2022 was the net gain from equity instruments at fair value through profit or loss of RON 2,565.8 million (mainly generated by the valuation updates for Hidroelectrica), and the gross dividend income from portfolio companies of RON 934.9 million.
- During the third quarter of 2022, **the NAV per share had an overall decrease of 3.2%** compared to the end of the second quarter, mainly due to the valuation update of the unlisted holdings in the portfolio (impact on the Fund’s NAV of RON 602.8 million compared with 30 June 2022), net off by the thirteen-buyback programme carried out by the Fund during this period.
- In terms of performance objectives, **the Adjusted NAV per share as at 30 September 2022 was 25.5% higher** than the 31 December 2021 NAV per share of RON 2.2624.
- In the period between 1 January 2022 and 30 September 2022, **the discount to NAV was below 15%** in 81 trading days (42.9% of the period) while in the remaining 108 days was above 15% (57.1% of the period)
- **The net increase in equity investments** of RON 2,546.9 million during the first nine months of 2022 was mainly generated by the increase in the fair value of Hidroelectrica SA (RON 3,074.6 million); this was partially offset by the decrease in the fair value of OMV Petrom SA (RON 133.5 million), Engie Romania SA (RON 123.2 million) and E-Distributie companies (RON 275.6 million).
- **Gross dividend income** for the nine-month period ended 30 September 2022 included the dividend income earned from the Fund’s portfolio companies, mainly from Hidroelectrica SA (RON 764.0 million) and OMV Petrom SA (RON 133.6 million).
- **The liquid assets** decreased by 27.3% during the nine-month period ended 30 September 2022. Most important outflows relate to the dividends paid net of withholding tax (RON 1,069.3 million) and the amounts paid for the acquisition of treasury shares (RON 1,037.6 million), partially offset by net dividends received (RON 928.2 million).

For more detailed information on the financial results for Q3 2022 please consult the report on www.fondulproprietatea.ro or www.bvb.ro.

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Appendix

Statement of Financial Position

| RON million | | | | | | 30 Sep 2022 | |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------------------|--|
| | 30 Sep 2022 | 30 Jun 2022 | 31 Mar 2022 | 31 Dec 2021 | 30 Sep 2021 | 30 Sep 2022 vs. 31 Dec 2021 (%) | |
| | Unaudited | Unaudited | Unaudited | Audited | Unaudited | | |
| Cash and current accounts | 78.9 | 137.6 | 87.7 | 68.2 | 76.9 | | |
| Deposits with banks | 279.5 | 121.1 | 636.2 | 347.4 | 445.1 | | |
| Treasury bills | - | - | 93.4 | - | - | | |
| Government bonds | - | 178.5 | 228.3 | 77.1 | 77.9 | | |
| Dividend receivables | - | 229.8 | - | - | - | | |
| Equity investments | 15,124.6 | 15,873.0 | 13,398.9 | 12,577.7 | 11,770.4 | | |
| Non-current assets held for sale | - | - | - | 1,135.2 | - | | |
| Other assets | 56.2 | 4.7 | 207.1 | 0.3 | 0.4 | | |
| Total assets | 15,539.2 | 16,544.7 | 14,651.6 | 14,205.9 | 12,370.7 | 9.4% | |
| Payables | 25.4 | 79.5 | 26.5 | 38.8 | 25.5 | | |
| Other liabilities | 80.4 | 137.9 | 89.2 | 409.6 | 80.9 | | |
| Total liabilities | 105.8 | 217.4 | 115.7 | 448.4 | 106.4 | -76.4% | |
| Total equity | 15,433.3 | 16,327.3 | 14,535.9 | 13,757.5 | 12,264.3 | 12.2% | |
| Total liabilities and equity | 15,539.2 | 16,544.7 | 14,651.6 | 14,205.9 | 12,370.7 | 9.4% | |

Source: IFRS financial statements

Statement of Comprehensive Income

| RON million | Q1 2022 | Q2 2022 | Q3 2022 | 9M 2022 | 9M 2021 |
|--|---------------|----------------|----------------|----------------|----------------|
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| Unrealised gain/ (loss) from equity investments at fair value through profit or loss | 821.2 | 2,474.1 | (728.2) | 2,567.1 | 2,513.2 |
| Realised loss from equity investments at fair value through profit or loss | - | - | (1.3) | (1.3) | - |
| Gross dividend income | - | 858.9 | 76.0 | 934.9 | 655.1 |
| Net gain / (loss) from other financial assets at fair value through profit or loss | 188.7 | (0.4) | 56.0 | 244.3 | (4.4) |
| Net realised loss from non-current assets held for sale | (157.0) | - | - | (157.0) | - |
| Interest income | 6.9 | 11.2 | 1.8 | 19.9 | 11.6 |
| Other income, net* | - | 3.4 | 1.0 | 4.4 | 5.2 |
| Net operating (loss)/ income | 859.8 | 3,347.2 | (594.7) | 3,612.3 | 3,180.7 |
| Administration fees recognised in profit and loss | (20.8) | (33.6) | (12.7) | (67.1) | (61.9) |
| Other operating expenses | (12.9) | (7.1) | (8.3) | (28.3) | (14.8) |
| Operating expenses | (33.7) | (40.7) | (21.0) | (95.4) | (76.7) |
| Finance costs | - | - | - | - | (0.1) |
| Profit/ (Loss) before income tax | 826.1 | 3,306.5 | (615.7) | 3,516.9 | 3,103.9 |
| Income tax | - | (2.9) | (3.8) | (6.7) | (6.1) |
| Profit/ (Loss) for the period | 826.1 | 3,303.6 | (619.5) | 3,510.2 | 3,097.7 |
| Other comprehensive income | - | - | - | - | - |

| RON million | Q1 2022 Unaudited | Q2 2022 Unaudited | Q3 2022 Unaudited | 9M 2022 Unaudited | 9M 2021 Unaudited |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total comprehensive income for the period | 826.1 | 3,303.6 | (619.5) | 3,510.2 | 3,097.7 |

Source: IFRS financial statements

* Other income, net included mainly the net gain/ (loss) from fair value changes related to government securities, net foreign exchange gain/ (loss) and other operating income/ (expenses).

Contacts:

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| <p>Elena Birjovanu Senior Corporate Communications Manager Franklin Templeton International Services Luxembourg, Bucharest Branch Premium Point, 76-80 Buzesti St., 011017, Bucharest Tel: +40 21 200 9640 Email: elena.birjovanu@franklintempleton.com</p> | <p>Bogdan Biszok Senior PR Manager Golin Metropolis Bravo, 89-97 Grigore Alexandrescu 010627 Bucharest, Romania Tel: + 40.742.100.646 Email: bbiszok@golin.ro</p> |
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Notes to Editors

1. About Fondul Proprietatea

Launched in December 2005, Fondul Proprietatea (“the Fund”) was established to compensate Romanians whose properties were confiscated by the former communist government. Following an international tender announced in December 2008, Franklin Templeton Investments was officially appointed as investment manager and sole administrator of the Fund on 29 September 2010.

The Fund is an alternative investment fund and its investment objective is the maximization of returns to shareholders and the increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities. The Fund listed on the Bucharest Stock Exchange on 25 January 2011 and on the Specialist Fund Market of the London Stock Exchange by means of global depositary receipts (“GDRs”) on 29 April 2015.

The headquarters of Fondul Proprietatea SA are at 76-80 Buzesti Street, 7th Floor, Bucharest District 1, 011017, Romania. For more information on Fondul Proprietatea, please visit <http://www.fondulproprietatea.ro>.

2. About Franklin Templeton Investments

Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 165 countries. Franklin Templeton’s mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company brings extensive capabilities in equity, fixed income, multi-asset solutions and alternatives. With offices in more than 30 countries and approximately 1,300 investment professionals, the California-based company has over 70 years of investment experience and approximately \$1,561.7 billion in assets under management as of 31 October 2021. For more information, please visit www.franklintempleton.ro.

Franklin Templeton established an office in Bucharest in May 2010, with a team of 32 employees, including 6 locally based investment professionals who are further supported by the over 40 portfolio managers and analysts of the wider Templeton Emerging Markets team.

Starting with 1 April 2016, in view of complying with the EU Directive 2011/61 on alternative investment fund managers, the Fund is managed by Franklin Templeton International Services S.À R.L. (“FTIS/ Fund Manager”), 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.

This release herein is issued by FTIS Bucharest Branch, registered therein under the number 40198471.

The office of FTIS Bucharest Branch is located at Premium Point, 8th floor, 76-80 Buzesti St., District 1, Bucharest, Romania. Tel: +40.200.96.00, Fax: +40.200.96.31/32.

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