

FOR IMMEDIATE DISTRIBUTION: 28 FEBRUARY 2023

FONDUL PROPRIETATEA FINANCIAL RESULTS FOR FY 2022

Bucharest, 28 February 2023 – Fondul Proprietatea (hereinafter “The Fund”) published today its financial results for FY 2022 and would like to share the following highlights:

- The Fund recorded **an audited net profit of RON 2,769,448,871 for the financial year** ended 31 December 2022. **The main contributors to the profit recorded in 2022** were: the net gain from equity instruments at fair value through profit or loss of RON 1,843.8 million (mainly generated by the valuation updates for Hidroelectrica SA), and the gross dividend income from portfolio companies of RON 934.9 million.
- The **NAV total return in 2022 was 19.1%**, the **total return for the shares was 12.2%**, while the **total return for the GDRs was 3.9%** (due to a stronger US dollar). Since the start of the calculation of the Fund’s performance, the NAV total return was 325.5%, while the total return for local shares was 651.4%, and 237.6% for the GDRs.
- On the Bucharest Stock Exchange, the shares traded throughout last year at a **discount to NAV** between 2.1% and 39.4%. The average discount for shares in 2022 was 21.6%. In the period between 1 January 2022 and 31 December 2022, the **discount to NAV was below 15%** in 81 trading days (32.3% of the period), while in the remaining 170 trading days it was above 15% (67.7% of the period).
- On London Stock Exchange the Fund’s GDRs were traded throughout the year at a discount to NAV between 1.7% and 39.5%, while the **average discount for GDRs was 22.4%**.
- **The total amount of the gross dividend income** recorded by the Fund in 2022 was **RON 934.9 million**, and the most significant amounts relate to Hidroelectrica SA (RON 764.0 million) and OMV Petrom SA (RON 133.6 million).
- The **net unrealised gain from equity investments at fair value through profit or loss** in 2022 of RON 1,961.5 million was mainly generated by the increase in the fair value of unlisted portfolio holding Hidroelectrica SA (RON 2,107.9 million), partially offset by the decrease in the fair value of the holdings in Engie Romania SA (RON 82.0 million) and Enel companies (RON 141.2 million).
- The **liquid assets increased with RON 493.7 million at the end of 2022**. Most important inflows relate to the proceeds from disposal of shares in OMV Petrom SA (RON 1,781.9 million) and net dividends received (RON 928.2 million), partially offset by the dividends paid net of withholding tax (RON 1,074.3 million) and the amounts paid for the acquisition of treasury shares (RON 1,146.6 million).

For more detailed information on the Financial Results for 2022 please consult the report on www.fondulproprietatea.ro or www.bvb.ro.

- ENDS -

Appendix

Statement of Financial Position

RON million	31 December 2022 Audited	31 December 2021 Audited	31 December 2020 Audited	31 Dec 2022 vs. 31 Dec 2021 (%)
Cash and current accounts	73.8	68.2	34.4	+8.2%
Deposits with banks	912.6	347.4	660.0	+162.7%
Government bonds	-	77.1	380.3	-100.0%
Equity investments	13,696.6	12,577.7	9,246.7	-8.9%
Non-current assets held for sale	-	1,135.2	-	-100.0%
Other assets	0.6	0.3	0.6	+100.0%
Total assets	14,683.6	14,205.9	10,322.0	+3.4%
Payables	27.3	38.8	19.8	-29.6%
Other liabilities	86.8	409.6	35.3	-78.8%
Total liabilities	114.1	448.4	55.1	-74.6%
Total equity	14,569.5	13,757.5	10,266.9	+5.9%
Total liabilities and equity	14,683.6	14,205.9	10,322.0	+3.4%

Source: Audited IFRS financial statements of the Fund

Statement of Comprehensive Income

RON million	2022 Audited	2021 Audited	2020 Audited
Net unrealised gain/ (loss) from equity investments at fair value through profit or loss	1,961.5	4,455.7	(1,103.2)
Gross dividend income	934.9	655.1	1,218.7
Net gain/ (loss) from other financial instruments at fair value through profit or loss	250.2	(4.5)	(0.6)
Net realised loss from non-current assets held for sale	(157.0)	-	-
Net realised loss from equity investments at fair value through profit or loss	(117.7)	-	(142.6)
Interest income	25.1	13.7	14.0
Other income, net ¹	4.4	5.4	3.6
Net operating income/ (loss)	2,901.4	5,125.4	(10.1)
Administration fees recognised in profit or loss	(79.4)	(84.0)	(55.2)
Other operating expenses	(45.8)	(22.6)	(27.1)
Operating expenses	(125.2)	(106.6)	(82.3)
Finance costs	(0.1)	(0.1)	(0.1)

Profit/ (Loss) before income tax	2,776.1	5,018.7	(92.5)
Withholding tax on the dividend income	(6.7)	(6.1)	(10.5)
Profit/ (Loss) for the year	2,769.4	5,012.6	(103.0)
Other comprehensive income	-	-	-
Total comprehensive income for the year	2,769.4	5,012.6	(103.0)

Source: Audited IFRS financial statements of the Fund

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

Contacts:

<p>Elena Birjovanu Senior Corporate Communications Manager Franklin Templeton International Services Luxembourg, Bucharest Branch Premium Point, 76-80 Buzesti St., 011017, Bucharest Tel: +40.725.301.189 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>
--	---

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 155 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 offers specialization on a global scale, bringing extensive capabilities in fixed income, equity, alternatives and multi-asset solutions. With offices in more than 30 countries and approximately 1,300 investment professionals, the California-based company has over 75 years of investment experience and approximately of \$1,451.9 billion in assets under management as of 31 January 2023. For more information, please visit <https://www.franklintempleton.com/>.

Franklin Templeton established an office in Bucharest in May 2010, with a team of 30 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 headquarters 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: +40.316 300 048.

This press release is intended to be of general interest only, and does not constitute professional advice. Franklin Templeton Investments and its management groups have exercised professional care and diligence in the collection and processing of the information in this press release. Franklin Templeton Investments makes no representations or warranties with respect to the accuracy of this document. Franklin Templeton Investments shall not be liable to any user of this report or to any other person or entity for the inaccuracy of information contained in this press release or for any errors or omissions in its contents, regardless of the cause of such inaccuracy, error or omission. Any research and analysis contained in this document has been procured by Franklin Templeton Investments for its own purposes.

Copyright © 2023. Franklin Templeton Investments. All rights reserved.