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FONDUL PROPRIETATEA FINANCIAL RESULTS FOR Q1 2023

Bucharest, 12 May 2023 – Fondul Proprietatea (“the Fund”) published today its financial results for the first three months ended on 31 March 2023 and would like to share the following highlights:

- Fondul Proprietatea recorded **a loss of RON 11.5 million in the first three months** of 2023.
- Following the assessment performed, during the quarter ended 31 March 2023 **no updates** were recorded in the valuation of the unlisted holdings in the portfolio.
- Also, the Fund recorded **no dividend income**, as dividends are usually approved by portfolio companies during the second quarter of the year.
- The **net decrease in equity investments** of RON 584.7 million during Q1 2023 was mainly related to the reclassification of Enel holdings as non-current assets held for sale, as a result of the agreement signed between the Fund and Public Power Corporation on 19 April 2023.
- During the first quarter of 2023, **the NAV per share had an increase of 0.5%** compared to the end of the previous year, mainly due to the tender offer within the **14th buyback programme** that was finalised in March and the slight net increase in the value of listed holdings.
- **The liquid assets** decreased at 31 March 2023 compared to the end of 2022, mainly as a result of the amounts paid for the acquisition of treasury shares within the 14th buyback programme (RON 536.7 million).

For more detailed information on the financial results for Q1 2023 please consult the report on www.fondulproprietatea.ro or www.bvb.ro.

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Appendix

Statement of Financial Position

RON million	31 March 2023	31 December 2022	31 March 2023 vs. 31 December 2022 (%)
Cash and current accounts	69.9	73.8	-5.3%
Deposits with banks	351.7	912.6	-61.5%
Equity investments	13,111.9	13,696.6	-4.3%
Non-current assets held for sale	588.8	-	100.0%
Other assets	0.8	0.6	33.3%
Total assets	14,123.1	14,683.6	-3.8%
Payables	37.9	27.3	38.8%
Other liabilities	85.6	86.8	-1.4%
Total liabilities	123.5	114.1	8.2%
Total equity	13,999.6	14,569.5	-3.9%
Total liabilities and equity	14,123.1	14,683.6	-3.8%

Source: Condensed interim IFRS financial statements of the Fund

Statement of Comprehensive Income

RON million	3-month ended 31 March 2023	3-month ended 31 March 2022
Interest income	10.3	6.9
Net unrealised gain from equity investments at fair value through profit or loss	4.1	821.2
Net gain from other financial instruments at fair value through profit or loss	-	188.7
Net realised loss from non-current assets held for sale	-	(157.0)
Other expenses, net ¹	(0.8)	-
Net operating income	13.6	859.8
Administration fees recognised in profit or loss	(13.3)	(20.8)
Other operating expenses	(11.8)	(12.8)
Operating expenses	(25.1)	(33.6)
Finance costs	-	(0.1)
(Loss)/Profit before income tax	(11.5)	826.1
Withholding tax on the dividend income	-	-
(Loss)/Profit for the period	(11.5)	826.1
Other comprehensive income	-	-
Total comprehensive income for the period	(11.5)	826.1

Source: Condensed interim IFRS financial statements of the Fund

1. Other expenses, net included mainly the net foreign exchange gain/(loss) and other operating income/(expenses)

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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 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

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 March 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.

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