

FOR IMMEDIATE DISTRIBUTION: 29 FEBRUARY 2024

## **FONDUL PROPRIETATEA PRELIMINARY FINANCIAL RESULTS FOR FY 2023**

**Bucharest, 29 February 2024** – Fondul Proprietatea (hereinafter “The Fund”) published today its preliminary financial results for FY 2023 and would like to share several highlights included in the report.

### **Overview of key activities and events undertaking during 2023:**

- Continued efforts to promote the Fund and raise its visibility, as well as the visibility of the Romanian capital market, the local companies (listed or candidates for being listed), and of Romania in general, in online and in person conferences, roadshows and events;
- Completion of the Hidroelectrica SA IPO, in which the Fund sold its entire stake in Hidroelectrica SA and the company was listed on Bucharest Stock Exchange;
- Payment to shareholders in June 2023 of the dividend distribution from 2022 annual profit of RON 0.05 per share (RON 269.8 million) – 96.8% of the distribution collected until 31 December 2023;
- Payment to shareholders in September 2023 of the special dividend distribution of RON 1.7225 per share (RON 9.2 billion) from Hidroelectrica SA IPO proceeds – 94.5% of the distribution collected until 31 December 2023;
- Disposal of the entire Fund’s holding in Enel companies within a transaction completed in October 2023, for a total consideration of RON 650 million;
- Signing of the agreement to sell the Fund’s shareholding in Engie Romania SA, that was subsequently approved by shareholders on 13 February 2024;
- Completion of the 14th buy-back programme for 2.1 billion shares (1.89 billion in the form of shares and 219.5 million in the form of GDRs). The total value of the programme excluding transaction costs was RON 1,816.7 million;
- Completion of the 11th and 12th Tender Offers of 1,895 million shares (1,693.4 million in the form of shares and 201.6 million in the form of GDRs), executed to accelerate the 14th buy-back programme.
- Main shareholders’ approvals during 2023:
  - Decrease of the subscribed and paid-up share capital from RON 3,233,269,110.76 to RON 2,947,779,186.56 pursuant to the cancellation of 549,019,085 own shares acquired during 2022 within the 13th buyback programme.
  - Distribution of a gross dividend of RON 0.05 per share from the 2022 net accounting profit (Payment Date 6 June 2023).
  - Distribution of a special gross dividend of RON 1.7225 per share from Hidroelectrica SA IPO proceeds (Payment Date 29 September 2023).
  - Renewal of the mandate for two Board of Nominees members for a 3-year period following the expiration of their mandates 15 November 2023 and 25 November 2023, respectively.
  - Renewal of FTIS mandate as AIFM and Sole Director of FP for a period 1 year (1 April 2024 – 31 March 2025).

- Empowerment of the Board of Nominees to organise a selection procedure for the appointment of a new Sole Director for a mandate not exceeding 4 years from 1 April 2025 Coverage of the negative reserves related to 12th buy-back programme.
- Decrease of the legal reserve in line with the share capital decrease.
- Various changes to the Constitutive Act of the Fund.

Please find below the Preliminary Unaudited Statement of Financial Position and Preliminary Unaudited Statement of Comprehensive Income.

## Preliminary Unaudited Statement of Financial Position

RON million	31 December 2023 Unaudited	31 December 2022 Audited	31 Dec 2023 vs. 31 Dec 2022 (%)
Cash and current accounts	547.6	73.8	>100%
Deposits with banks	191.4	912.6	-79.0%
Equity investments	1,792.4	13,696.6	-86.9%
Non-current assets held for sale	432.6	-	+100.0%
Other assets	-	0.6	-100.0%
<b>Total assets</b>	<b>2,964.0</b>	<b>14,683.6</b>	<b>-79.8%</b>
Payables	67.4	27.3	>100%
Other liabilities	546.5	86.8	>100%
<b>Total liabilities</b>	<b>613.9</b>	<b>114.1</b>	<b>&gt;100%</b>
Total equity	2,350.1	14,569.5	-83.9%
<b>Total liabilities and equity</b>	<b>2,964.0</b>	<b>14,683.6</b>	<b>-79.8%</b>

Source: preliminary unaudited IFRS financial results of the Fund

## Preliminary Unaudited Statement of Comprehensive Income

RON million	2023 Unaudited	2022 Audited
Net (loss)/ gain from equity investments at fair value through profit or loss	(1,604.3)	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 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>(421.7)</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>(889.1)</b>	<b>2,776.1</b>
Withholding tax on the dividend income	(7.0)	(6.7)
<b>(Loss)/ Profit for the year</b>	<b>(896.1)</b>	<b>2,769.4</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(896.1)</b>	<b>2,769.4</b>

Source: preliminary unaudited IFRS financial results of the Fund

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

For more detailed information on the Financial Results for 2023 please consult the report on [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro) or [www.bvb.ro](http://www.bvb.ro).

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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 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.

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