

FOR IMMEDIATE DISTRIBUTION: 15 MAY 2024

FONDUL PROPRIETATEA FINANCIAL RESULTS FOR Q1 2024

Bucharest, 15 May 2024 – Fondul Proprietatea (“the Fund”) published today its financial results for the first three months ended on 31 March 2024 and would like to share the following highlights:

- The **liquid assets** of the Fund during Q1 2024 included current accounts and term deposits with banks. All instruments were denominated in RON, with maturities of up to one year. The most important **cash inflows** during Q1 2024 were related to the proceeds from disposal of the entire stake in Engie Romania SA (RON 432.6 million) and the interest received of RON 8.5 million, while the most significant **cash outflows** were related to net dividends paid (RON 68.8 million) and to the dividend withholding tax payments performed (RON 44.7 million).
- The net decrease in **Equity investments** of RON 8.4 million during Q1 2024 was mainly generated by the decrease in the share price of Alro SA.
- At 31 March 2024, **Payable to shareholders** caption comprised the dividends payable to shareholders, out of which the most significant amounts are related to the 29 September 2023 special dividend distribution (RON 398.8 million).
- The **operating income** mainly comprises the gross dividend income, the changes in fair value of financial instruments at fair value through profit or loss, interest income and the net realised gains/ losses from transactions with financial instruments. The changes in fair value of the equity investments of the Fund are recognised in profit or loss. The operating income is influenced by the performance of the portfolio companies and their decisions on dividend distributions, by the changes in the share price of listed companies as well as by money market performance.
- The **loss from equity investments at fair value through profit or loss** during Q1 2024 was mainly generated by the decrease in the BVB share price of Alro SA (total impact RON 8.4 million).

Appendix

Statement of Financial Position

RON million	31 March 2024 Unaudited	31 December 2023 Audited	31 March 2024 vs. 31 Dec 2023 (%)
Cash and current accounts	0.1	0.1	-
Distributions bank accounts	478.9	547.5	-12.5%
Deposits with banks	562.7	191.4	194.0%

Equity investments	1,775.9	1,784.4	-0.5%
Non-current assets held for sale	-	432.6	-100.0%
Other assets	-	-	n.a.
Total assets	2,817.6	2,956.0	-4.7%
Payable to shareholders	477.7	546.5	-12.6%
Other liabilities and provisions	3.5	67.3	-94.8%
Total liabilities	481.2	613.8	-21.6%
Total equity	2,336.4	2,342.2	-0.2%
Total liabilities and equity	2,817.6	2,956.0	-4.7%

Source: IFRS financial statements of the Fund

Statement of Comprehensive Income

RON million	3-month ended 31 March 2024 Unaudited	3-month ended 31 March 2023 Unaudited
Net (loss)/ gain from equity investments at fair value through profit or loss	(8.5)	4.1
Interest income	9.0	10.3
Other income/ (expenses), net ¹	0.4	(0.8)
Net operating income	0.9	13.6
Administration fees recognised in profit or loss	(2.0)	(13.3)
Other operating expenses	(4.3)	(11.8)
Operating expenses	(6.3)	(25.1)
Finance costs	-	-
(Loss) before income tax	(5.4)	(11.5)
Income tax expense	(0.4)	-
(Loss) for the period	(5.8)	(11.5)
Other comprehensive income	-	-
Total comprehensive income for the period	(5.8)	(11.5)

Source: IFRS financial statements of the Fund

1. This caption mainly includes the net foreign exchange gain/ (loss) and other operating income/(expenses).

For more detailed information on the Financial Results for Q1 2024 please consult the report on www.fondulproprietatea.ro or 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 \$1.6 trillion in assets under management as of 30 April 2024. 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. A0000154/21 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.

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