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FOR IMMEDIATE DISTRIBUTION: 31 AUGUST 2023

## FONDUL PROPRIETATEA FINANCIAL RESULTS FOR H1 2023

**Bucharest, 31 August 2023** – Fondul Proprietatea (“the Fund”) published today its financial results for the first six months ended on 31 July 2023 and would like to share the following highlights:

- The **Adjusted NAV per share** as at 30 June 2023 was 4.1% lower than the 31 December 2022 NAV per share of RON 2.5701.
- In the period 1 January 2023 - 30 June 2023, **the discount to NAV** was above 15% in all trading days.
- During the first six months of 2023, 10 companies in the Fund’s portfolio declared **annual dividends** related to the 2022 financial year and/ or special dividends. The total amount of the gross dividend income recorded by the Fund in the six-month period ended 30 June 2023 is **RON 962.5 million**.
- The **liquid assets** of the Fund during H1 2023 included term deposits and current accounts. The liquid assets decreased by RON 118.7 million at 30 June 2023 compared to the end of 2022. The most significant decreases are related to the acquisition of treasury shares within the 14th buyback programme, including the tender offer settled in March 2023 (RON 603.7 million) and the dividends paid during the period (RON 241.5 million), which were partially offset by the dividends received from the portfolio companies (RON 786.7 million).
- The net decrease in **equity investments** of RON 11,524.8 million during H1 2023 was mainly related to the reclassification of Hidroelectrica SA (RON 9.28 billion) and Enel holdings (RON 588.8 million) as non-current assets held for sale as well as to the fair value decrease of Hidroelectrica SA before the reclassification date (RON 1.87 billion).
- The **net unrealised loss from equity investments at fair value through profit or loss** in H1 2023 was mainly generated by the changes in fair value of the unlisted portfolio. The decrease in fair value was mainly generated by the valuation decrease of the holding in Hidroelectrica SA (RON 1.87 billion), whereas the following companies recorded an increase in fair value: CN Aeroporturi Bucuresti SA (RON 115.1 million), Engie Romania SA (RON 49.6 million), CN Administratia Porturilor Maritime SA (RON 30.2 million) and Societatea Nationala a Sarii SA (RON 23.5 million).
- **Net gain from non-current assets held for sale valued at fair value through profit or loss** of RON 61.2 million represents the fair value movement of the holdings in the Enel group companies following their reclassification to non-current assets held for sale on 31 March 2023.
- **Gross dividend income** was mainly generated by the amounts recorded from Hidroelectrica SA (RON 867.4 million), Societatea Nationala a Sarii SA (RON 56.0 million) and CN Aeroporturi Bucuresti SA (RON 31.5 million).

For more detailed information on the financial results for H1 2023 please consult the report on [www.fondulproprietatea.ro](http://www.fondulproprietatea.ro) or [www.bvb.ro](http://www.bvb.ro).

## Appendix

### Statement of Financial Position

RON million	30 Jun 2023 Unaudited	31 Mar 2023 Unaudited	31 Dec 2022 Audited	30 Jun 2022 Unaudited	30 Jun 2023 vs. 31 Dec 2022 (%)
Cash and current accounts	81.0	69.9	73.8	137.6	+9.8%
Deposits with banks	786.7	351.7	912.6	121.1	-13.8%
Government bonds	-	-	-	178.5	-
Dividend receivables	175.8	-	-	229.8	+100.0%
Equity investments	2,171.8	13,111.9	13,696.6	15,873.0	-84.1%
Non-current assets held for sale	9,931.2	588.8	-	-	+100.0%
Other assets	1.1	0.8	0.6	4.7	+83.3%
<b>Total assets</b>	<b>13,147.6</b>	<b>14,123.1</b>	<b>14,683.6</b>	<b>16,544.7</b>	<b>-10.5%</b>
Payables	58.3	37.9	27.3	79.5	113.6%
Other liabilities	81.3	85.6	86.8	137.9	-6.3%
<b>Total liabilities</b>	<b>139.6</b>	<b>123.5</b>	<b>114.1</b>	<b>217.4</b>	<b>+22.3%</b>
Total equity	13,008.0	13,999.6	14,569.5	16,327.3	-10.7%
<b>Total liabilities and equity</b>	<b>13,147.6</b>	<b>14,123.1</b>	<b>14,683.6</b>	<b>16,544.7</b>	<b>-10.5%</b>

Source: Condensed interim IFRS financial statements of the Fund

### Statement of Comprehensive Income

RON million	H1 2023 Unaudited	H1 2022 Unaudited	Q1 2023 Unaudited	Q2 2023 Unaudited
Unrealised loss from equity investments at fair value through profit or loss	(1,881.0)	(288.8)	(5.2)	(1,875.8)
Unrealised gain from equity investments at fair value through profit or loss	223.6	3,584.1	9.3	214.3
Unrealised gain from non-current assets held for sale valued at fair value through profit or loss	61.2	-	-	61.2
Gross dividend income	962.5	858.9	-	962.5
Net gain from other financial assets at fair value through profit or loss	-	188.3	-	-
Net realised loss from non-current assets held for sale	-	(157.0)	-	-
Interest income	14.5	18.1	10.3	4.2
Other (expenses)/income, net	(0.8)	3.4	(0.8)	-
<b>Net operating (loss)/income</b>	<b>(620.0)</b>	<b>4,207.0</b>	<b>13.6</b>	<b>(633.6)</b>
Administration fees recognised in profit or loss	(30.1)	(54.4)	(13.3)	(16.8)
Other operating expenses	(30.2)	(20.0)	(11.8)	(18.4)
<b>Operating expenses</b>	<b>(60.3)</b>	<b>(74.4)</b>	<b>(25.1)</b>	<b>(35.2)</b>
Finance costs	-	-	-	-
<b>(Loss)/Profit before income tax</b>	<b>(680.3)</b>	<b>4,132.6</b>	<b>(11.5)</b>	<b>(668.8)</b>
Withholding tax on the dividend income	-	(2.9)	-	-
<b>(Loss)/Profit for the period</b>	<b>(680.3)</b>	<b>4,129.7</b>	<b>(11.5)</b>	<b>(668.8)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive (loss)/income for the period</b>	<b>(680.3)</b>	<b>4,129.7</b>	<b>(11.5)</b>	<b>(668.8)</b>

Source: Condensed interim IFRS financial statements of the Fund

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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.

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