



Fondul Proprietatea SA

Preliminary Results Report
for the Financial Year Ended
31 December 2024



This is a translation from the official Romanian version.

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List of Abbreviations

AIF	Alternative Investment Fund
AIF Law	Romanian Law no. 243/2019 on the regulation of alternative investment funds and amending and supplementing certain normative acts
AIF Regulation	Regulation no. 7/2020 on the authorisation and functioning of alternative investment funds, issued by the Financial Supervisory Authority
AIFM	Alternative Investment Fund Manager
AIFM Directive	Directive 2011/61/EU on Alternative Investment Fund Managers
ATS	Alternative Trading System
BNYM	The Bank of New York Mellon
BoN	Board of Nominees of Fondul Proprietatea SA
BVB	Bucharest Stock Exchange
CAEN	Classification of Economic Activities in Romania
CE Oltenia	Complexul Energetic Oltenia SA
CIIF	Certification of Registration of Financial Instruments
Depositary Bank/ Depositary	BRD – Groupe Societe Generale SA
Depozitarul Central SA	Romanian Central Depositary
Deutsche Numis	Numis Securities Limited, member of Deutsche Bank Group
EGM	Extraordinary General Shareholders Meeting
EU	European Union
Fondul Proprietatea/ the Fund/ FP	Fondul Proprietatea SA
FSA	Romanian Financial Supervisory Authority
FT	Franklin Templeton
FTIS/ AIFM/ Sole Director/ Fund Manager	Franklin Templeton International Services S.à r.l.
FY	Financial year
GDR	Global Depositary Receipt
GEO	Government Emergency Ordinance
GEO no. 27/2023	GEO no. 27/2023 regarding amendments of some normative acts in the energy field, as well as for the establishment of some exemptions
GEO no. 71/2024	GEO no. 71/2024 for the amendment and completion of certain legal acts as well as for setting up measures against aggressive publicity and communication techniques used by entities not included in the FSA Register
GSM	General Shareholders Meeting
IFRS	International Financial Reporting Standards as endorsed by the EU
IPO	Initial Public Offering
IPS	Investment Policy Statement
LSE	London Stock Exchange
NAV	Net Asset Value
NBR	National Bank of Romania
Norm no. 39/ 2015	FSA Norm no. 39/ 2015 regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorised, regulated, and supervised by the FSA – Financial Investments and Instruments Sector and to the Fund for Investor Compensation
OGM	Ordinary General Shareholders Meeting
Q1/ Q2/ Q3/ Q4	First/ second/ third/ fourth quarter of the year

REGS	Main market (Regular) of Bucharest Stock Exchange
Salrom	Societatea Nationala a Sarii SA
Y.O.Y.	Year-over-year

Company Information

The company

Fondul Proprietatea was incorporated on 28 December 2005 as a joint stock company operating as a closed-end investment company. The duration of Fondul Proprietatea is until 31 December 2031 and this may be extended by the EGM with additional periods of 5 years each.

The Fund is registered with the Bucharest Trade Register under the number J40/21901/2005 and has the sole registration code 18253260.

The main activities of the Fund according to the National Statistics CAEN and the Fund's own Constitutive Act are the business of operating mutual funds and other similar financial entities (CAEN reference 643) and the main activity is financial investments (CAEN reference 6430).

On 28 January 2022, FSA authorised Fondul Proprietatea as an AIF closed-end type intended for retail investors, with BRD - Groupe Societe Generale as depositary. The Fund is registered within the FSA Register – Section 9 – ‘Alternative Investment Funds’ under no. PJR09FIAIR/400018 as Alternative Investment Fund intended for retail investors.

The Fund's investment objective is the maximisation of returns to shareholders and the increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities.

Since 25 January 2011, the Fund's shares have been listed on BVB. Since 29 April 2015, the Fund's GDRs issued by The Bank of New York Mellon as GDR Depositary, having the Fund's shares as support, have been listed on the Specialist Fund Segment of LSE.

During 2 December 2024 GSM the Fund's shareholders approved the delisting of the Fund's GDRs from LSE, a process which is ongoing at the date of this report, and it is expected to be finalised during the second quarter of 2025. For more information, please see section *Delisting of the Fund's GDR from the London Stock Exchange*.

Share information

Primary listing	Bucharest Stock Exchange – since 25 January 2011
Secondary listing	London Stock Exchange – since 29 April 2015
BVB symbol	FP
LSE symbol	FP.
Bloomberg ticker on BVB	FP RO
Bloomberg ticker on LSE	FP/ LI
Reuters ticker on BVB	FP.BX
Reuters ticker on LSE	FPq.L
ISIN	ROFPTAACNOR5
FSA register no	PJR09FIAIR/400018/28.01.2022
LEI code	549300PVO1VWBFH3DO07
CIIF registration no	AC-4522-11/06.09.2024

The list of countries where the Fund has notified CSSF for marketing activities under AIFM Directive includes Denmark, the United Kingdom, France, Germany, Austria, and Romania.

Sole Director and AIFM

Franklin Templeton has been the Sole Director of the Fund starting 29 September 2010, with successive mandates of two or four years. The portfolio management and the administrative activities are performed by FTIS via its Bucharest Branch. As at 31 December 2024, Mr. Johan Meyer is the permanent representative of the AIFM, being also the portfolio manager of the Fund. At the same date, Mr. Daniel Naftali is the substitute for the Permanent Representative, in accordance with the provisions of Article 34, paragraph 12 of Law no. 74/2015 on alternative investment fund managers.

Management Agreement in force during 1 April 2022 – 31 March 2024

During the quarter ended 31 March 2024, the Fund was managed by FTIS as its Sole Director and AIFM under the AIFM Directive and local implementation regulations, based on the Management Agreement in force between 1 April 2022 – 31 March 2024.

The table below presents the key commercial terms of the Management Agreement in force during 1 April 2022 – 31 March 2024:

Base Fee per year	<ul style="list-style-type: none"> 0.45%
Consideration for the Base Fee	<ul style="list-style-type: none"> Weighted average market capitalisation of the Fund
Distribution Fee for all distributions	<ul style="list-style-type: none"> 2.50% applied to the value of the distributions during 1 April 2022 – 31 March 2023 1.75% applied to the value of the distributions during 1 April 2023 – 31 March 2024
Consideration for the Distribution Fee	<ul style="list-style-type: none"> Share buy-backs and GDR buy-backs Public tender buy-backs Return of share capital and dividends
Duration	<ul style="list-style-type: none"> 2 years

Management Agreement for the period 1 April 2024 – 31 March 2025

During 25 September 2023 GSM the shareholders approved the renewal of FTIS mandate as Sole Director and AIFM of the Fund for a duration of 1 year (1 April 2024 - 31 March 2025).

The management agreement for the period 1 April 2024 – 31 March 2025, under substantially same terms as the previous Management Agreement and in line with the current IPS of the Fund, was approved by shareholders during 26 March 2024 GSM. The main change relates to the increase of the base fee rate from 0.45% in the Management Agreement until 31 March 2024 to 1.35% in the Management Agreement starting 1 April 2024.

The table below presents the key commercial terms of the Management Agreement in force during 1 April 2024 – 31 March 2025:

Base Fee per year	<ul style="list-style-type: none"> 1.35%
Consideration for the Base Fee	<ul style="list-style-type: none"> Weighted average market capitalisation of the Fund
Distribution Fee for all distributions	<ul style="list-style-type: none"> 1.75% applied to the value of the distributions
Consideration for the Distribution Fee	<ul style="list-style-type: none"> Share buy-backs and GDR buy-backs Public tender buy-backs Return of share capital and dividends
Duration	<ul style="list-style-type: none"> 1 year

Appointment of the substitute for the Permanent Representative

On 8 November 2024, the Trade Registry registered the FTIS Resolution no. 24 of 9 October 2024 regarding the appointment of Mr. Daniel-Adrian Naftali as the substitute for the Permanent Representative, in accordance with the provisions of Article 34, paragraph 12 of Law no. 74/2015 on alternative investment fund managers.

Thus, the legal representation of the AIFM is carried out by:

- 1) Mr. Johan Meyer – Permanent Representative;
- 2) Mr. Daniel-Adrian Naftali – substitute for the Permanent Representative, in case Mr. Johan Meyer is unable to carry out his activity.

Board of Nominees of Fondul Proprietatea

Overview

The Board of Nominees consists of 5 members appointed by the OGM in accordance with the provisions of the Constitutive Act in force. The BoN takes valid decisions provided the absolute majority of its members. The Board of Nominees ensures the set-up of consultative committees of the Fund to examine specific topics chosen by the BoN and to report to the BoN – the Nomination and Remuneration Committee and the Audit and Valuation Committee.

The membership of the Fund's Board of Nominees at 31 December 2024 is the following:

- Mrs. Ilinca von Derenthall – Chairperson;
- Mr. Ciprian Ladunca – member;
- Mr. Alin Marius Andries – member;
- Mrs. Ileana-Lacramioara Isarescu – member;
- Mr. Nicholas Paris – member.

Also, following decisions of the Board of Nominees, the membership of the Fund's Consultative Committees at 31 December 2024 is:

The Audit and Valuation Committee:

- Mr. Ciprian Ladunca – Chairperson;
- Mr. Alin Marius Andries – Member;
- Mr. Nicholas Paris – Member.

The Nomination and Remuneration Committee:

- Mr. Nicholas Paris – Chairperson;
- Mr. Alin Marius Andries – Member;
- Mrs. Ilinca von Derenthall – Member.

Updates regarding the Board of Nominees composition during 2024

The main updates regarding the Fund's Board of Nominees during 2024 are presented below:

- On 6 April 2024, the mandates as members of the BoN of Mr. Omer Tetik and Mr. Nicholas Paris expired;
- During 26 March 2024 GSM, the Fund's shareholders appointed Mr. Marius-Alin Andries as member of the BoN, replacing Mr. Omer Tetik, while Mr. Nicholas Paris did not obtain the statutory majority provided by the Fund's Constitutive Act for being elected as member of the BoN;

- As such, according to the provisions of the Fund's Constitutive Act and those of the mandate agreement, Mr. Nicholas Paris's mandate was extended by right until the next OGM having on its agenda the appointment of a new BoN member (i.e. the GSM held on 27 September 2024);
- On 12 April 2024 Mr. Martin Bernstein notified the Fund of his resignation from his positions held within the Fund's BoN and Consultative Committees. The termination of the mandate agreement became effective on 12 July 2024 (3 months from the date of the notification);
- During 27 September 2024 GSM, the Fund's shareholders appointed Mrs. Ileana-Lacramioara Isarescu as member of the BoN of Fondul Proprietatea for a period of 3 years. Her mandate started on 1 October 2024;
- During the same GSM, the candidates for the second vacant position did not obtain the statutory majority provided by the Fund's Constitutive Act for being elected as member of the BoN and the seat remained vacant. As a result, on the same date, the Fund's BoN appointed Mr. Nicholas Paris as an interim member of the BoN until the next OGM having on its agenda the appointment of a new BoN member (i.e. the GSM held on 2 December 2024);
- During 2 December 2024 GSM the Fund's shareholders appointed Mr. Nicholas Paris as member of the BoN of Fondul Proprietatea for a period of 3 years starting 2 December 2024.

Selection and appointment of the Fund's Sole Director after 31 March 2025

During 25 September 2023 GSM the shareholders approved that the BoN should launch a transparent and competitive selection procedure for the appointment of a new Sole Director, based on investment expertise and experience, in accordance with the legal provisions in force. The shareholders also approved that the BoN is empowered to establish new terms and conditions for the evaluation and remuneration of the fund manager, corresponding to the new objectives, in line with international best practices and present them for approval to the GSM.

During 27 September 2024 GSM the shareholders approved the following items related to the selection process: the selection criteria, the appointment of Deutsche Numis as selection advisor, the selection advisory budget of RON 3.8 million to be used by the members of the BoN, the authorisation of the Chairperson of the BoN to take various actions and to act in the name of and on behalf of the Fund as part of the selection process.

During 27 September 2024 GSM the shareholders also approved the extension of FTIS mandate for a period of one year starting with 1 April 2025 and until 31 March 2026, only to the extent that (a) the GSM does not appoint a new AIFM by 31 March 2025 and (b) such appointment does not enter into force by 31 March 2025.

On 7 October 2024 the BoN of Fondul Proprietatea announced the commencement of the selection process for an AIFM for the Fund based on the selection criteria approved by shareholders during 27 September 2024 GSM, in which prospective candidates were invited to register their interest by no later than 21 October 2024.

On 22 October 2024, in order to allow additional time for further submissions of interest the Fund's BoN announced the extension of the deadline for submissions of interest from the previously stated 21 October 2024 to 4 November 2024.

On 26 November 2024, the Fund's BoN announced that it has received five submissions of interest from a diverse range of candidates, with the following details disclosed regarding their identity: 3 diversified global asset managers, a global infrastructure asset manager, and a

Romania-based asset manager, with the deadline for Proposal submissions scheduled for 29 November 2024.

On 29 November 2024, the Sole Director of the Fund informed investors that after careful consideration, it has decided not to submit a response to the Request for Proposal in the ongoing selection process for the Fund's AIFM.

On 2 December 2024 the Fund's BoN announced that, following the passing of the deadline for Proposal submissions on 29 November 2024, it has received submissions from 2 candidates, including: a global infrastructure asset manager and an European-based AIFM in partnership with a Romanian asset management advisory firm. Also, the BoN stated that along with its selection advisor Deutsche Numis, will assess the proposals based on the selection criteria approved by shareholders during 27 September 2024 GSM.

Additional information on the selection process (including answers to shareholders' questions), as provided by the Board of Nominees, are included on the Fund's website, in the sections:

- *Investor Relations – Investor reports*
- *Investor Relations - GSM Information*
- *FAQs - Selection of a new Fund Manager*
- *Press centre - News*

Share capital information

Changes in share capital during the reporting period

	31 December 2024	31 December 2023	31 December 2022
Issued share capital (RON)	1,849,342,164.28	2,947,779,186.56	3,233,269,110.76
Paid in share capital (RON)	1,849,342,164.28	2,947,779,186.56	3,233,269,110.76
Number of shares in issue	3,556,427,239	5,668,806,128	6,217,825,213
Number of paid shares	3,556,427,239	5,668,806,128	6,217,825,213
Nominal value per share (RON)	0.52	0.52	0.52

Source: National Trade Registry

During the 30 April 2024 Annual GSM the shareholders approved the decrease of the subscribed and paid-up share capital of the Fund by RON 1,098,437,022.28, from RON 2,947,779,186.56 to RON 1,849,342,164.28, pursuant to the cancellation of 2,112,378,889 own shares acquired by the Fund during 2023 through the 14th buy-back programme. The share capital decrease was finalised on 30 August 2024, after all legal and regulatory steps related to the cancellation were completed.

During 2 December 2024 GSM the shareholders approved the decrease of the subscribed and paid-up share capital of the Fund by RON 184,934,215.96, from RON 1,849,342,164.28 to RON 1,664,407,948.32, pursuant to the cancellation of 355,642,723 own shares acquired during 2024 through the 15th buy-back programme. The share capital decrease will be recorded only after all legal and regulatory steps related to the cancellation are completed – this process is ongoing at the date of this report, and it is expected to be completed during the first semester of 2025.

GDR facility

The GDR facility is limited to one-third of the Fund's subscribed share capital under the Romanian securities regulations, or 23,709,514 GDRs (1,185,475,700 shares equivalent) as at 31 December 2024, each GDR representing 50 shares. As at 31 December 2024, 1.52% of the Fund's issued shares

were held by The Bank of New York Mellon, the GDR depositary bank, accounting for 1,083,399 GDRs, representing 4.57% of the GDR facility.

During 2 December 2024 GSM the Fund's shareholders approved the delisting of the Fund's GDRs from LSE, a process which is ongoing at the date of this report, and it is expected to be finalised during the second quarter of 2025. For more information, please see section *Delisting of the Fund's GDR from the London Stock Exchange*.

Shareholder structure information

Shareholder structure as at 31 December 2024

Shareholder categories ¹	% of subscribed and paid-up share capital	% of total voting rights	% of total exercisable voting rights ²
Treasury shares ³	10.00%	10.00%	-
Romanian private individuals	50.92%	50.92%	56.58%
Romanian institutional shareholders	16.01%	16.01%	17.79%
Romanian State represented by Ministry of Finance	10.42%	10.42%	11.57%
Foreign private individuals	4.92%	4.92%	5.47%
Foreign institutional shareholders	6.21%	6.21%	6.90%
The Bank of New York Mellon (GDRs) ⁴	1.52%	1.52%	1.69%

Source: Depozitarul Central SA

1. Information provided based on settlement date of transactions.

2. The suspended voting rights related to the Fund's treasury shares acquired under the buyback programmes, either in the form of shares and/or GDRs, were not included in the computation of the exercisable voting rights.

3. 355,642,723 treasury shares acquired in 2024 within the 15th buyback program (either in the form of shares and/or GDRs).

4. The shares underlying the GDRs issued by the BNYM are held in the name of BNYM and for the account of the GDRs holders. Out of BNYM holding, the GDRs held by Fondul Proprietatea were excluded, namely 0 GDRs (0 shares equivalent).

As at 31 December 2024, the Fund had 22,803 shareholders. The total number of voting rights was 3,556,427,239, out of which a total of 3,200,784,516 exercisable voting rights.

The ownership disclosures submitted by shareholders during 2024 are included in the current reports published by the Fund, which are available on the Fund's website, section *Investor Relations – Investor reports*.

The Depositary of the Fund

The Fund has appointed BRD – Groupe Societe Generale SA as its depositary and custodian, to hold and transfer the Fund's assets, and to certify the Fund's NAV, and the computation of the AIFM fees through a depositary and custody agreement in force until 20 May 2025.

The auditor of the Fund

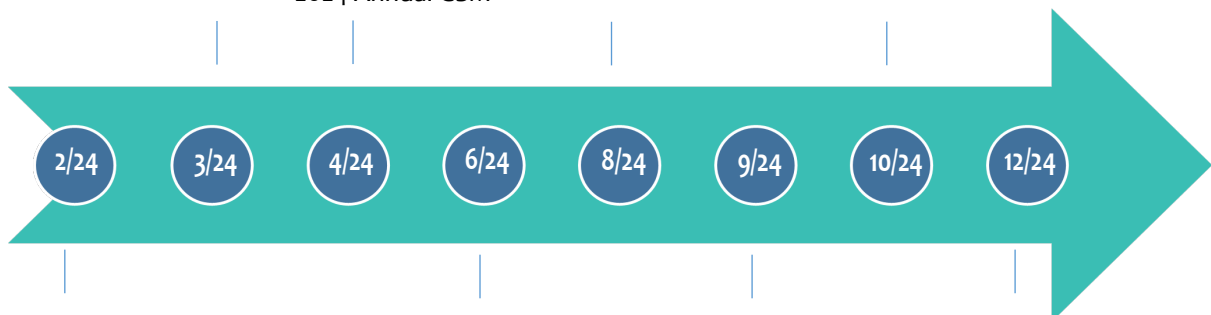
The auditor of the Fund for the year ended 31 December 2024 is Ernst & Young Assurance Services SRL, registered with the Trade Registry under no. J40/5964/1999, having Sole Registration Code RO11909783, member of the Chamber of Financial Auditors of Romania and registered in the Public Registry of Financial Auditors of ASPAAS with number FA77.

On 28 April 2021 the shareholders of the Fund approved the appointment of the Ernst & Young Assurance Services SRL as the financial auditor of Fondul Proprietatea for the financial years 2022, 2023, 2024. On 27 September 2024 the shareholders of the Fund approved the appointment of the Ernst & Young Assurance Services SRL as the financial auditor of Fondul Proprietatea for the financial year ending 31 December 2025.

Overview of 2024



- Court decision regarding CNAB litigation
- 26 March 2024 GSM
- Start of 15th buy-back programme
- Fondul Proprietatea 2024 Annual GSM
- Cancellation of the shares bought back in the 14th
- Completion of the 15th buy-back programme



- 13 Feb 2024 GSM
- Completion of Engie Romania SA disposal
- Start of the RON 0.06 special dividend distribution (RON 212.5 million)
- 27 Sep 2024 GSM
- Completion of the 13th Tender Offer
- 2 Dec 2024 GSM

Key 2024 highlights

- 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 disposal of Fund's entire stake in Engie Romania SA for RON 432.6 million within a transaction completed in February 2024;
- Payment to shareholders in June 2024 of the special dividend distribution of RON 0.06 per share (RON 212.5 million) – 94.6% of the distribution collected until 31 December 2024;
- Introduction of the limit for share buy-backs to 10% of share capital by GEO no. 71/2024;
- Completion of the 15th buy-back programme for 355.6 million shares (338.9 million in the form of shares and 16.7 million in the form of GDRs). The total value of the programme excluding transaction costs was RON 216.3 million;
- Completion of the 13th Tender Offer of 269 million shares (255.5 million in the form of shares and 13.5 million in the form of GDRs), executed to accelerate the 15th buy-back programme;
- Main shareholders' approvals during 2024:
 - disposal of the Fund's entire stake in Engie Romania SA
 - approval of 15th BB programme for 2024, and the approval of 16th BB programme for 2025
 - renewal of FTIS mandate as AIFM and Sole Director of FP for a period 1 year (1 April 2024 – 31 March 2025) and subsequently with 1 additional year (1 April 2025 – 31 March 2026) subject to certain conditions
 - decrease of the subscribed and paid-up share capital of the Fund by RON 1,098,437,022.28, from RON 2,947,779,186.56 to RON 1,849,342,164.28, pursuant to the cancellation of 2,112,378,889 own shares acquired during 2023 through the 14th BB programme
 - appointing two new members in the BoN for a period of 3 years (Mr. Marius Alin Andries and Mrs. Ileana - Lacramioara Isarescu) following the expiration of Mr. Omer Tetik's mandate and resignation of Mr. Martin Bernstein, and reappointment of Mr. Nicholas Paris for a period of 3 years
 - coverage of negative reserves from 13th buy-back programme and coverage from various elements of retained earnings of RON 904.1 million accounting loss incurred in FY 2023
 - distribution of RON 0.06 gross dividend per share from 2022 unallocated profits (Payment Date 7 June 2024)
 - decrease of the legal reserve in line with the share capital decrease
 - various changes to the Constitutive Act of the Fund
 - appointment of Ernst & Young Assurance Services as the Fund's financial auditor for FY 2025
 - approval of the selection criteria, based on which the BoN shall select the AIFM of the Fund
 - appointment of Deutsche Numis as selection advisor through the members of the BoN and of a maximum selection advisory budget of RON 3.8 million
 - delisting of the Fund's GDRs issued by BNYM from the Specialist Fund Segment of the LSE
 - decrease of the subscribed and paid-up share capital of the Fund by RON 184,934,215.96, from RON 1,849,342,164.28 to RON 1,664,407,948.32, pursuant to the cancellation of 355,642,723 own shares acquired during 2024 through the 15th BB programme

Capital markets

In the 2024, BVB recorded an average performance in both EUR and local currency terms compared to the largest markets in Central Europe:

% Change in 2024	in local currency	in EUR
PX Index (Czech Republic)	+24.48%	+22.16%
BUX Index (Hungary)	+30.86%	+21.66%
BET-XT (Romania)	+9.16%	+9.14%
ATX (Austria)	+6.64%	+6.64%
WIG20 Index (Poland)	-6.44%	-4.94%

Source: Bloomberg

Trading on the Bucharest Stock Exchange

- 2.0 billion shares were traded on BVB in 2024, equivalent to 57.4% of the Fund's paid shares as at 31 December 2024;
- In 2024, the value of trading in the Fund shares was RON 884.6 million / USD 185.2 million¹ / EUR 177.8 million¹. The total trading value since the listing reached RON 33.7 billion / USD 7.1 billion¹ / EUR 6.8 billion¹;
- The average daily trading volume in 2024 was 8.2 million shares.

Trading on the London Stock Exchange

- In 2024, 1.5 million GDRs were traded on LSE, for a total value of USD 8.2 million¹ / EUR 7.9 million¹ / RON 39.1 million;
- Since the listing on the LSE on 29 April 2015, the total trading volume was 153.1 million GDRs, reaching USD 2.0 billion¹ / EUR 1.95 billion¹ / RON 9.7 billion;
- The average daily trading volume in 2024 was 6.0 thousand GDRs.

Delisting of the Fund's GDR from the London Stock Exchange

During 2 December 2024 GSM the Fund's shareholders approved the delisting of the Fund's GDRs from LSE. On 12 December 2024 the Sole Director informed shareholders of the initiation of the cancellation of trading with respect to the GDRs from the Specialist Fund Segment of the Main Market of the London Stock Exchange and of the termination of the Deposit Agreement in respect of the GDRs dated 27 April 2015 between the Fund and The Bank of New York Mellon.

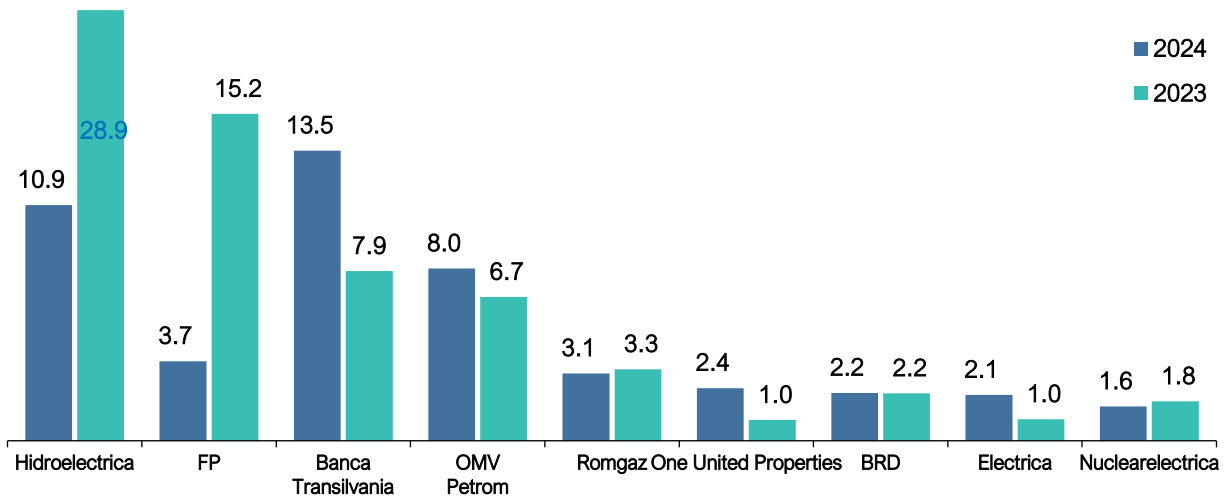
An application has been made to the LSE for trading in the GDRs to be cancelled. The last day of trading in the GDRs on the LSE is expected to be 24 April 2025 and the cancellation of the trading is expected to take effect at or about 8:00 am (UK time) on 25 April 2025.

The Fund has also served a formal notice to BNYM to terminate the GDR Deposit Agreement. Further information on the actions to be taken by holders of GDRs in connection with the delisting was provided by BNYM and can be found accessing BNYM website www.adrbny.com.

For other information regarding the delisting of the Fund's GDR from the LSE, please visit the Fund's website, section *FAQs - The cancellation of trading with respect to the GDRs corresponding to the shares of Fondul Proprietatea from the LSE*.

¹ based on NBR exchange rates as at 31 December 2024

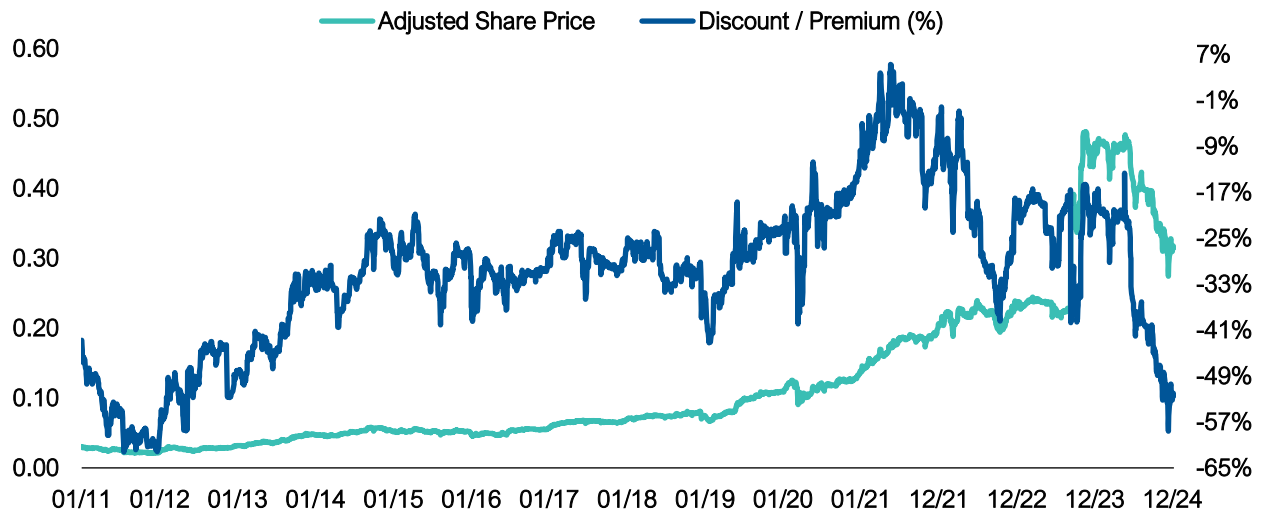
Average Daily Turnover (RON million)



Source: BVB, Bloomberg

Note: The values for FP, OMV Petrom, Romgaz and Electrica also include the GDR trading on LSE (OMV Petrom and Romgaz GDRs were delisted from LSE and their trading was cancelled on 26 October 2023 and on 31 December 2024, respectively). The values for FP include the tender offers settled in March 2023, December 2023 and September 2024. For Hidroelectrica SA the values do not include the IPO settled on 10 July 2023; the first trading day on BVB was 12 July 2023.

Fund's Adjusted Share Price (RON/share) and Premium / (Discount) History (%)



Source: Bloomberg for Adjusted Share Price (price adjusted with cash distributions), Sole Director calculations for Discount / Premium

Note: The (discount) / premium is calculated in accordance with the IPS i.e. the (discount) / premium between the FP shares closing price on the BVB - REGS for each trading day and the latest published NAV per share at the date of calculation. However, the discount to NAV for the trading days 7-14 September 2023 was calculated based on the 31 August 2023 NAV (published on 15 September 2023), in order to eliminate the mismatch between the NAV per share and FP BVB market price that was adjusted on 7 September 2023 (the Ex-date of 29 September 2023 dividend distribution).

Key financial highlights

The tables below show a summary of the Fund's financial performance for the last 3 years and during each quarter of 2024.

NAV ¹ and share price developments ²	Notes	2024	2023	2022
Total shareholders' equity at the end of the period (RON million)	k	2,250.0	2,342.2	14,569.5
Total shareholders' equity change in period (%)	k	-3.9%	-83.9%	+5.9%
Total NAV at the end of the period (RON million)	a	2,250.0	2,350.1	14,569.5
Total NAV change in period (%)		-4.3%	-83.9%	+10.0%
NAV per share at the end of the period (RON)	a	0.7029	0.6608	2.5701
NAV per share at the end of the period (USD)	a	0.1471	0.1470	0.5546
NAV per share (RON) change in the period (%)		+6.4%	-74.3%	+13.6%
NAV per share total return in the period (%)	g	+17.0%	-2.4%	+19.1%
Share price as at the end of the period (RON)	b	0.3150	0.5230	2.0400
Share price low in the period (RON)	b	0.2740	0.3810	1.7080
Share price high in the period (RON)	b	0.5330	2.1500	2.1900
Share price change in the period (%)		-39.8%	-74.4%	+2.5%
Share price total return in the period (%)	h	-32.1%	+45.0%	+12.2%
Share price discount to NAV as at the end of the period (%)	d	-55.2%	-20.9%	-20.6%
Average share price discount in the period (%)	d	-34.2%	-22.8%	-21.6%
Average daily share turnover in the period (RON million)	c, j	3.5	12.9	9.1
GDR price as at the end of the period (USD)	e	3.22	5.70	21.60
GDR price low in the period (USD)	e	3.10	4.12	17.50
GDR price high in the period (USD)	e	5.70	23.80	24.20
GDR price change in the period (%)		-43.5%	-73.6%	-4.4%
GDR price total return in the period (%)	i	-36.7%	+34.9%	+3.9%
GDR price discount to NAV as at the end of the period (%)	d	-56.2%	-22.4%	-22.1%
Average GDR price discount in the period (%)	d	-34.7%	-23.4%	-22.4%
Average daily GDR turnover in the period (USD million)	f, j	0.03	0.49	0.3

Source: BVB (for shares), Bloomberg (for GDRs), Sole Director calculations

1. NAV for the end of each period was computed in the last calendar day of the month.

2. Period should be read as FY 2024/ FY 2023/ FY 2022, respectively

NAV ¹ and share price developments ²	Notes	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Total NAV at the end of the period (RON million)	a	2,336.4	2,312.4	2,120.0	2,250.0
Total NAV change in period (%)		-0.6%	-1.0%	-8.3%	+6.1%
NAV per share at the end of the period (RON)	a	0.6569	0.6622	0.6622	0.7029
NAV per share at the end of the period (USD)	a	0.1426	0.1424	0.1490	0.1471
NAV per share total return in the period (%)	g	-0.6%	+10.9%	-0.1%	+6.2%

NAV ¹ and share price developments ²	Notes	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Share price as at the end of the period (RON)	b	0.5200	0.3950	0.3696	0.3150
Share price total return in the period (%)	h	-0.6%	-14.4%	-6.4%	-14.8%
Share price discount to NAV as at the end of the period (%)	d	-20.8%	-40.4%	-44.2%	-55.2%
GDR price as at the end of the period (USD)	e	5.40	4.50	4.04	3.22
GDR price total return in the period (%)	i	-5.3%	-6.6%	-10.2%	-20.3%
GDR price discount to NAV as at the end of the period (%)	d	-26.1%	-36.8%	-45.8%	-56.2%

Source: BVB (for shares), Bloomberg (for GDRs), Sole Director calculations

1. NAV for the end of each period was computed in the last calendar day of the month.

2. Period should be read as Q1 2024/ Q2 2024/ Q3 2024/ Q4 2024, respectively

Notes:

- a. Prepared based on local rules issued by the capital market regulator (NAV in USD calculated using the NBR FX rate at the reporting date)
- b. Source: BVB - REGS market - Closing prices
- c. Source: BVB
- d. Share Price/ GDR Price discount/ premium to NAV as at the end of the period (%) is calculated as the discount/ premium between FP share closing price on BVB - REGS/ FP GDR closing price on LSE on the last trading day of the period and the NAV per share at the end of the period; as a general rule, the average discount/ premium is calculated according to IPS, using the latest published NAV per share at the date of the calculation (NAV in USD is calculated using the NBR FX rate at the reporting date) and includes both the days with premium and with discount. However, the discount to NAV for the trading days 7-14 September 2023 was calculated based on the 31 August 2023 NAV (published on 15 September 2023), in order to eliminate the mismatch between the NAV and BVB market price that was adjusted on 7 September 2023 (the Ex-date of 29 September 2023 dividend distribution).
- e. Source: Bloomberg - Closing prices
- f. Source: Bloomberg
- g. The NAV per Share Total Return is calculated in RON by geometrically linking total returns for all intermediate periods when official NAV is published. Each total return for a single period is calculated using the following formula: the NAV per share at the end of the period plus any cash distribution during the period, dividing the resulting sum by the official NAV per share at the beginning of the period. The resulting single period total returns are geometrically linked to result in the overall total return. The Fund uses this indicator as it is directly related to the performance objectives of the Fund included in the IPS
- h. The Share Price Total Return is calculated in RON by geometrically linking daily total returns. Daily total return is calculated as the closing price at the end of the day, plus any cash distributions on that day, dividing the resulting sum by the closing price of the previous day. The resulting single period total returns are geometrically linked to result in the overall total return. The Fund uses this indicator as it is directly related to the performance objectives of the Fund included in the IPS
- i. The GDR Price Total Return is calculated in USD by geometrically linking daily total returns. Daily total return is calculated as the closing price at the end of the day, plus any cash distributions on that day, dividing the resulting sum by the closing price of the previous day. The resulting single period total returns are geometrically linked to result in the overall total return. The Fund uses this indicator as it is directly related to the performance objectives of the Fund included in the IPS
- j. Including the tender offers finalised by the Fund in June 2022/ March 2023/ December 2023/ September 2024
- k. The total shareholders' equity at the end of 2024 is based on the preliminary unaudited financial results; the total shareholders' equity at the end of 2023 and 2022 is based on the final audited financial results

Key portfolio updates

Annual dividends received from portfolio companies

During 2024, the Fund recorded **annual** dividends from 7 companies in the Fund's portfolio related to the 2023 financial year. There were no **special** dividends¹ declared by the portfolio companies during the reporting period. The total amount of gross dividend income recorded by the Fund during 2024 is RON 145.8 million and the most significant amounts relate to CN Aeroporturi Bucuresti SA and Societatea Nationala a Sarii SA.

Valuation of portfolio holdings

The Fund continued to closely monitor the evolution of financial markets and that of the specific industries the portfolio companies operate in for each NAV reporting date and whenever necessary, valuation reports for the portfolio holdings were prepared.

For 31 December 2024 NAV, valuation updates in accordance with the International Valuation Standards were prepared for 15 holdings with the assistance of KPMG Advisory and Darian DRS, representing all the unlisted portfolio and 2 listed companies with low liquidity. The valuation date was 31 October 2024, and the reports were based on the financial data of the companies as at 30 September 2024.

Following this update, the value of portfolio holdings for which valuation reports were prepared (both unlisted and listed illiquid companies) increased by RON 191.9 million (+11.4%) in 31 December 2024 NAV compared to 31 December 2023 NAV.

As at the date of this report, the Fund is currently analysing the potential effect on the valuation of portfolio holdings of the events that took place between 31 October 2024 and 31 December 2024 and any significant impact will be reflected in the final audited IFRS financial statements of the Fund for the year ended 31 December 2024 and in subsequent NAV reports.

Listing of Societatea Nationala a Sarii SA

On 5 July 2021, the GSM of Salrom approved in principle the listing of the company on the BVB, through a public offering of the company's shares held by the Fund.

On 27 July 2022, the Government approved a Memorandum supporting the listing of Salrom by a public offering of the company's shares held by the Fund, which is a key milestone in the listing process.

The approval is a positive development as it allows the Fund to explore its options with regards to a potential realisation of all or part of its holding in the company.

Following the finalisation of the selection procedure for Board Members based on GEO no. 109/2011 by the Ministry of Economy, during 23 February 2024 GSM the shareholders appointed Board members for a period of 4 years. Also, following finalisation of selection procedure based on GEO no. 109/2011, the Board appointed the General Manager for a period of 4 years starting 1 July 2024.

The Fund continues to engage with the majority shareholder and the company in relation to preparations for a potential IPO.

Legal actions against CN Aeroporturi Bucuresti SA share capital increase

On 7 March 2024 the Bucharest Court of Appeal admitted the appeal filed by the Fund, annulling Resolution no. 15/ 26 October 2021 of CN Aeroporturi Bucuresti SA GSM for the approval of a share capital increase with the plots of land inside Baneasa airport, brought as Romanian State's

¹ According to the definition of "special dividends" from the Annual cash Distribution Policy of the Fund

contribution in kind to the company's share capital. The decision issued by the Bucharest Court of Appeal is final.

Once the details regarding the Decision of the Court of Appeal will be made available as well as depending on the actions carried out by CN Aeroporturi Bucharest, the Fund will reevaluate all ongoing legal actions or other potential new legal actions necessary to protect the interests of the Fund's shareholders.

For full details regarding the litigation started by the Fund for annulling Resolution no. 15/ 26 October 2021 of CN Aeroporturi Bucuresti SA GSM, please see the Fund's Annual Sole Director's report for the financial year ended 31 December 2023.

In addition to the main litigation described above, the Fund has also entered into the following court proceedings in order to protect the shareholders' interests:

- Opposition against the registration of EGM Resolution no. 15/26.10.2021 with the Trade Register - on 11 February 2022, the Ilfov Court has suspended the opposition pending a final decision in the main file; the Fund has submitted a request for the file to be reinstated on the docket; at the 8 November 2024 hearing, the court reinstated the file on the docket. On 13 December 2024, the Court admitted the opposition filed by the Fund and the request for registration of EGM Resolution no. 15/26.10.2021 with the Trade Register was dismissed. The decision is subject to appeal within 30 days from the date of communication;
- Action against the Certificates of attestation of the right of ownership (RO: "Certificate de atestare a dreptului de proprietate"); on 10 October 2024 the court decided to stay the proceedings pending a plea of unconstitutionality raised by the Fund with regard to certain provisions from the Contentious administrative Law no. 554/2004;
- Action against the valuation report issued by ANG Consulting SRL - on 20 February 2024, the judge decided that another specialised section of the same Court is entitled to have jurisdiction on solving the case; the first hearing before the new specialised section was on 10 December 2024 when the Court acknowledged, in principle, the intervention of CN Aeroporturi Bucharest as an accessory intervention; the Fund invoked the exception of lack of interest. The Court postponed ruling on the exception until the reasoning of the decision in the file regarding the share capital increase (i.e., file no. 2779/93/2021), considering that the outcome will depend on the reasoning within the aforementioned file;
- Action for annulment of the EGM Resolution no. 14/24.09.2019 for the annulment of the decision based on which ANG Consulting SRL performed the valuation; at the 5 November 2024 hearing the parties pleaded on the merits of the case and the court has deferred a decision for the 10 January 2025. On 10 January 2025, the Court rejected, as unfounded, the plea of belatedness and the plea of lack of interest in filing the action, raised by both Romanian State through the Ministry of Transport and Infrastructure, and CN Aeroporturi Bucuresti SA. The Court also rejected, as unfounded, the action for annulment of the EGM Resolution no. 14/24.09.2019 filed by the Fund. The decision is subject to appeal within 30 days from the date of communication.

Valuation of CN Aeroporturi Bucuresti SA

Within the NAV reports prepared during 2024, the Fund's holding in CN Aeroporturi Bucuresti SA was valued using the same assumptions and valuation methodology as in the previous valuation reports prepared during 2023. This approach was confirmed by the Bucharest Court of Appeal's decision from 7 March 2024. The Sole Director will analyse the full decision of the Bucharest Court of Appeal once this is available as well as the future actions of CN Aeroporturi Bucuresti SA and their potential impact on the valuation of the company.

Participation in share capital increases/ decreases

Aeroportul International Timisoara SA share capital increase

During the GSM held on 9 June 2023, the majority shareholder approved a share capital increase of RON 25.2 million, by issuing 2,523,850 new shares at a nominal value of RON 10 per share, to finance a proposed investment project.

Fondul Proprietatea challenged the validity of the GSM decision and during the legal proceedings, on 14 May 2024, the company passed a GSM resolution whereby they approved the revocation of the share capital increase decision. As a result thereof, on 21 June 2024 the court dismissed the claim as lacking object and awarded the Fund part of the legal costs.

Restructuring plan of CE Oltenia and related roadmap

In January 2022, the European Commission approved Romania's plan to grant CE Oltenia a restructuring aid for up to EUR 2.66 billion (RON 13.15 billion). The implementation of the Restructuring Plan will lead to capital increases, both in cash as well as with the value of lands that will be used by CE Oltenia to develop the new investments alongside co-investors (photovoltaic power plants and gas fired power plants) and other business restructuring measures:

- CE Oltenia will develop 4 solar parks with a total capacity of 455 MW together with OMV Petrom, 4 solar parks with a total capacity of 280 MW and a 475 MW natural gas energy block with Tinmar Energy and an 850 MW combined cycle power plant on natural gas with Alro.
- Spin-off of 2 units totalling 300MW, respectively of the Craiova II Power Plant Branch. The new company, Electrocentrale Craiova SA, was established following the GSM in August 2022 approving the transaction, following a symmetric spin-off, taking over the assets and liabilities of Craiova II Power Plant Branch and mirrored percentage wise the shareholding structure of CE Oltenia at that date (share capital of RON 23,829,130 with FP's stake of 21.559%, respectively 513,754 shares).
- CE Oltenia will create a distinct subsidiary ("the Lignite Subsidiary") which will comprise and operate the existing lignite power units and related assets that are not intended for transition to gas or renewables. As per the Restructuring Plan, the Lignite Subsidiary should be completed before the end of the restructuring period i.e. before the end of 2026. Such lignite capacities should decrease over time in line with national lignite phase-out calendar.

The change in legislation brought by GEO no. 26/2023 allowing land valuation to be carried out at fair value, instead of indexation method facilitated the share capital increase with the value of the lands that will be contributed by CE Oltenia in the new investment companies, brought as Ministry of Energy's in-kind contribution to the company's share capital.

The share capital increase with the value of the lands amounting to EUR 41 million (RON 204 million) was approved during the GSM taking place on 29 August 2023, by issuing 20,346,788 new shares at a nominal value of RON 10 per share in favour of the Ministry of Energy. Following the implementation of the share capital increase with the value of the lands and registration with the Trade Registry during September 2023, the Fund's stake in CE Oltenia decreased to 11.81% while Ministry of Energy's stake increased to 87.48%.

In 2024, CE Oltenia received approximately EUR 79 million (RON 387 million) in state aid as part of the Restructuring Plan. The state aid is intended to finance the purchase of greenhouse gas emission certificates pertaining to 2023 and 2024. During 2021 – 2023 the company received grants worth EUR 867 million (EUR 241 million in 2021, EUR 535 million in 2022 and EUR 91 million in 2023).

In line with the Restructuring Plan that also entails an equity contribution in cash by the Romanian State via the Ministry of Energy in amount of EUR 180 million, CE Oltenia has conveyed a GSM on 28 November 2023 for the approval of the share capital increase. The share capital increase was

approved during the GSM in November 2023, by issuing 27,036,159 new shares at a nominal value of 10 RON per share in favour of the Ministry of Energy and included a share premium in amount of RON 620,727,531.

The Fund did not subscribe in the share capital increase. Following the cash contribution and registration with the Trade Registry, the Fund's stake in CE Oltenia share capital will decrease to 7.37%. As at the date of this report, the Ministry of Energy has not contributed the corresponding cash amount related to the share capital increase. Consequently, until the cash contribution is made by the Ministry of Energy, the Fund's stake in CE Oltenia recorded at the Trade Registry remains at 11.81%.

During the shareholders meeting held on 10 May 2024, the Ministry of Energy approved the initiation of merger by absorption of CE Oltenia with the Mining Design Institute in Craiova (RO: Institutul de Cercetare Stiintifica, Inginerie Tehnologica si Proiectare Mine pe Lignit SA Craiova - ICSITPML). The specialists from the institute, who will be integrated into the CE Oltenia, are expected to be involved in the closure, conservation, and greening programs for the mines.

In November 2024 CE Oltenia, in collaboration with OMV Petrom, has completed the tender process for the construction of three of the four planned photovoltaic parks and has announced the chosen contractors for these lots. The process for the fourth park is expected to be completed early February 2025.

GEO no. 27/2023 regarding the exemption from regulatory requirements on profit distribution

As per Article 5 of GEO no. 27/2023, by exemption from the provisions of Article 1 paragraph (1) (e) and (f) from Government Ordinance no. 64/2001 regarding the distribution of profit of state owned companies, for such companies that have a restructuring plan in progress notified and approved by the European Commission Decision and that have benefited from state aid for restructuring in the form of grants for the financing of certain expenses, the accounting profit remaining after tax deduction is distributed directly to other reserves – e.g. no distribution of dividends.

Disposal of the entire holding in Engie Romania SA

On 11 December 2023 the Fund informed shareholders that it received a binding offer from GDF International SA, the majority shareholder of Engie Romania SA, in relation to a potential sale of its entire shareholding in Engie Romania SA, for a consideration of EUR 87 million.

Further to that, on 22 December 2023 the Fund, as seller, and GDF International SA, as purchaser, entered into an agreement for the sale of the entire shareholding in Engie Romania SA in exchange for a total consideration of RON 432,616,167.75. The completion of the sale under the agreement was subject to the Fund GSM approval.

Following the approval of the transaction by the Fund's shareholders during 13 February 2024 GSM, on 20 February 2024 the Sole Director of the Fund informed the market about the completion of the sale of the Fund's entire holding in Engie Romania SA. Following the transaction, the Fund received gross proceeds of RON 432,616,167.75 and no longer holds any shares in Engie Romania SA.

Performance objectives

According to the IPS in force starting with 1 April 2022, the current reporting period for the performance objectives is from 1 January 2024 until 31 December 2024.

In accordance with the Fund's IPS, there are two performance objectives that the Sole Director is aiming to achieve. The NAV objective refers to an Adjusted NAV per share¹ in the last day of the reporting period higher than the reported NAV per share as at the end of the previous reporting period. The discount objective implies the discount between the closing price of the Fund's shares on BVB – REGS and the latest reported NAV per share to be equal to, or lower than 15%, in at least 2/3 of the trading days in the reporting period.

NAV Objective

The Adjusted NAV per share as at 31 December 2024 was RON 0.7727 per share, 16.9 % higher than the 31 December 2023 NAV per share of RON 0.6608.

NAV Objective	Amount RON	Details
Total NAV as at 31 Dec 2024	2,250,041,449	
Dividend distributions starting 1 Jan 2024	212,452,479	Gross dividend distribution of RON 0.06 per share approved on 30 Apr 2024 with Payment date 7 Jun 2024
Distribution fees for buy-backs starting 1 Jan 2024	3,784,809	Distribution fee for Buy-back programme no. 15
Distribution fees for dividend distributions performed starting 1 Jan 2024	3,716,275	Distribution fee for dividend distribution with Payment date 7 Jun 2024
Other costs related to buy-backs starting 1 Jan 2024	3,195,873	Fees related to buy-back programmes, excluding the distribution fees for buy-backs (mainly including the FSA fees for the tender offer)
Other costs related to dividends paid starting 1 Jan 2024	82,513	Central Depository and Paying Agent fees
Total Adjusted NAV as at 31 Dec 2024	2,473,273,398	
Number of paid shares, less treasury shares and GDRs held as at 31 Dec 2024	3,200,784,516	
Adjusted NAV per share as at 31 Dec 2024	0.7727	
NAV per share as at 31 Dec 2023	0.6608	
Difference	0.1119	
%	+16.9%	

Source: Sole Director calculations

The Sole Director proposed a special dividend distribution of RON 0.06 per share with payment date 7 June 2024, that was approved by shareholders during 30 April 2024 Annual GSM.

¹ The adjusted NAV for a given date is calculated as the sum of: (i) the reported NAV as at the end of the Reporting Period; (ii) any distributions to shareholders, being either dividend or non-dividend ones (i.e. in the last case following reductions of the par value of the shares and distribution to the shareholders), implemented after the end of the previous Reporting Period, and (iii) any distribution fee and any transaction/ distribution costs relating to either dividend or non-dividend distributions including buy-backs of shares/ GDRs/ depository interests executed through daily acquisitions or public tenders after the end of the previous Reporting Period. The adjusted NAV per share is equal to the adjusted NAV divided by the total number of the Fund's paid shares, less FP ordinary shares bought back and less equivalent in FP ordinary shares of FP GDRs acquired and not yet converted into FP ordinary shares, on the last day of the Reporting Period. For more details, please refer to the IPS available on the Fund's webpage.

Following Sole Director's proposal, during 13 February 2024 GSM the shareholders approved the 15th buyback programme for 1 billion shares, that was started on 15 April 2024. The maximum number of shares that could be repurchased within this buy-back programme was subsequently reduced to 355.6 million, as a result of the regulatory changes adopted in June 2024 through GEO no. 71/2024.

On 24 July 2024, the Sole Director submitted to the FSA an application for the approval of a tender offer for 350 million shares in relation to Buy-back programme no. 15. Subsequently, the maximum number of shares in the tender offer was reduced to 269 million shares as a result of the share capital decrease process with the shares acquired within the 14th buy-back programme and the FSA's interpretation of Article 29 (4) of Law no. 243/2019, as amended by GEO no. 71/2024. The tender offer for 269 million shares at a price of RON 0.6622 was finalised on 30 September 2024.

Also, following Sole Director's proposal, during 2 December 2024 GSM the shareholders approved the 16th buyback programme for 320 million shares for 2025.

For more details regarding the Fund's buy-back programmes and the regulatory changes impacting these, please see section *Buy-back programmes*.

Discount Objective

During 2024, the discount to NAV was above 15% in 99.6% of the trading days.

	Discount at 3 Jan 2024	Discount at 31 Dec 2024	Average Discount 3 Jan – 31 Dec 2024	Discount Range 3 Jan – 31 Dec 2024
FP share	-18.6%	-52.4%	-34.2%	min -13.7%/ max -58.6%
FP GDR	-20.0%	-54.1%	-34.7%	min -15.6%/ max -57.2%

Source: Sole Director calculations

Note: discount is calculated according to the IPS, based on the latest published NAV per share available for the day of the calculation

The Fund's discount to NAV during 2024 increased significantly. During this period new legislation was introduced limiting share buy-backs to 10% of share capital. Additionally, a significant shareholder requested new points to be added to the 27 September 2024 GSM agenda, including the preservation of the portfolio and the prohibition of further share buy-backs. These points were rejected by the majority of shareholders during the meetings in question. Furthermore, during 2024 there has been a significant shift in the shareholder structure of the Fund from institutional investors to retail investors, which underlines the selling pressure which has led to the widening of the discount to NAV.

It is the Sole Director's intention to continue its efforts to minimise the discount to NAV through close collaboration with underlying portfolio companies to improve governance, efficiency, and profitability, as well as ongoing implementation of the Discount Control Mechanism, transparent communication, and disclosure, supported by proactive investor relations.

Corporate actions

Special Dividend Distribution in 2024

The Sole Director proposed the distribution of a special gross dividend of RON 0.06 per share, with Payment date 7 June 2024, Ex-date on 16 May 2024 and Registration date on 17 May 2024, that was approved by shareholders during the 30 April 2024 Annual GSM. Until 31 December 2024 the shareholders collected 94.6% of the total dividend distribution.

Buy-back programmes

During 2024 the Fund completed the cancellation of the shares acquired within the 14th buy-back programme (carried on during 2023) and acquired shares within the 15th buy-back programme,

whose cancellation was approved by shareholders during 2 December 2024 GSM and is pending completion of all the related regulatory steps.

The final trade **within the 15th buy-back programme** took place on 8 October 2024, when the regulatory limit of 10% of the Fund's share capital, as per the recent amendments brought to Article 29 paragraph (4) of Law no. 243/2019 was reached. As a result, in 2024 the Fund bought back a total number of 355,642,723 own shares within the 15th buy-back programme (out of which 338,876,723 ordinary shares and 16,766,000 ordinary shares corresponding to GDRs), representing 10% of the total issued shares as at 31 December 2024, for a total acquisition value of RON 216,324,940, excluding transaction costs. The total number of own shares (including shares corresponding to GDRs) held by the Fund as at 31 December 2024 is 355,642,723, having a total nominal value of RON 184,934,215.96 (RON 0.52 per share). As at 31 December 2024 the Fund did not hold any GDRs.

The 15th buy-back programme was carried out through daily transactions on BVB and LSE and one Tender Offer finalised by the Fund in September 2024, for 269 million shares.

The **16th buy-back programme** for 320 million shares to be implemented during 2025 was approved by shareholders during the 2 December 2024 GSM.

Investor relations

In 2024, in our efforts to increase the visibility and the profile of the Fund, as well as the local capital market, and Romania, to a broader international institutional investor base, and to keep investors and shareholders up to date with the effects of the geopolitical and macroeconomic developments, the Fund's management team organised 4 road-shows in the United States and the United Kingdom, and met with 17 investment professionals interested in finding out more details about Fondul Proprietatea and its equity story, and in receiving updates on the Fund, its corporate actions, and the main portfolio holdings, as well as on the Romanian macroeconomic environment.

During the year, we participated to 1 online investor conference and 3 in person conferences organised by international brokers and investment banks in Zürs and Bucharest, where we discussed with representatives of 27 international asset managers. Furthermore, we had 9 meetings and 22 additional conference calls with analysts, brokers, current and prospective investors interested in the latest developments regarding the Fund's corporate actions and its portfolio companies.

As part of our communication strategy to update the institutional investors and analysts covering Fondul Proprietatea on its financial results, the latest events involving the Fund and its portfolio companies, and the planned corporate actions, we organised the 2023 preliminary annual results, 2024 first quarter and 2024 first half conference calls, with 15 analysts and investors participating on average to the calls.

Communication between the Sole Director and investors remains our top priority as we aim to ensure that investors are informed about the latest developments and obtain their feedback as we continue to focus on maximising shareholder value.

Net Asset Value

NAV methodology

The key performance indicator of the Fund is its Net Asset Value. The Fund is required to publish a monthly net asset value per share in accordance with the local rules issued by the capital market regulator, no later than 15 calendar days after the reporting month end and after the dates when share capital changes are recorded within Trade Registry.

All NAV reports are published on the Fund's website together with the share price and discount/premium information.

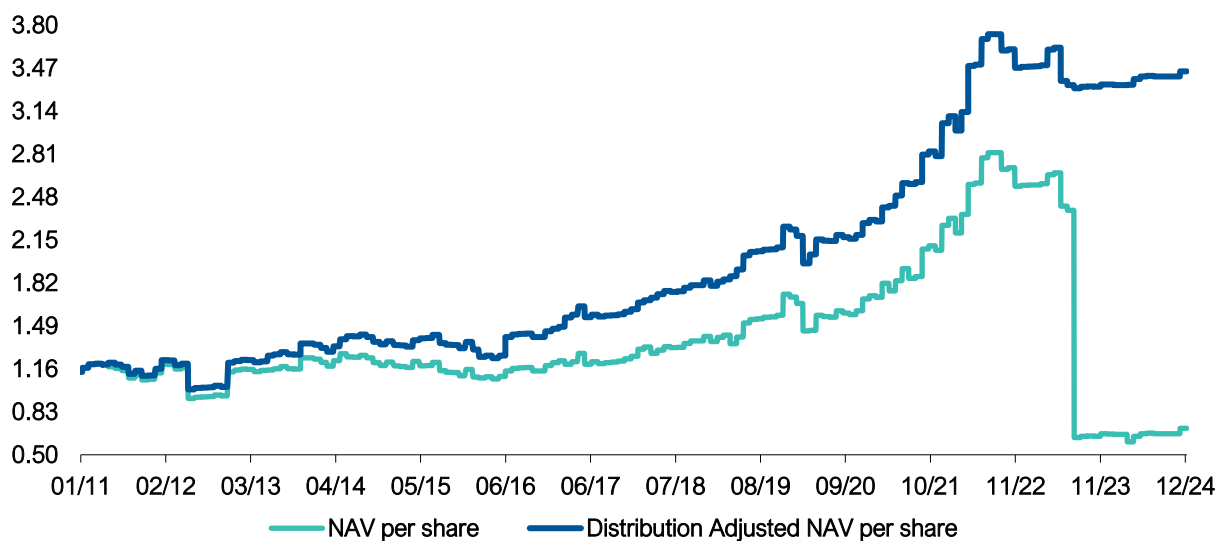
Starting with 28 January 2022, the date when the Fund's registration process as an AIF with the FSA was finalised, the Fund started to apply the Romanian AIF Law (Law no. 243/2019) and AIF Regulation (Regulation no. 7/2020).

Listed liquid shares are valued either at closing market prices if listed on regulated markets, or at reference prices if listed on an ATS. Listed illiquid and unlisted shares are valued using valuation techniques in accordance with International Valuation Standards. The holdings in the companies in liquidation, dissolution, bankruptcy, insolvency, judicial reorganisation or which ceased their activity are valued at zero.

The treasury shares acquired through buy-backs are excluded from the number of shares used in the NAV per share computation. Due to the fact that in substance the Fund's GDRs are similar to the ordinary shares to which they correspond, in the computation of the number of shares used for the NAV per share calculation, the equivalent number of shares corresponding to the GDRs bought back and held by the Fund as at the NAV reporting date is also deducted, together with the number of ordinary own shares bought back and held.

NAV evolution

Evolution of distribution adjusted NAV per share

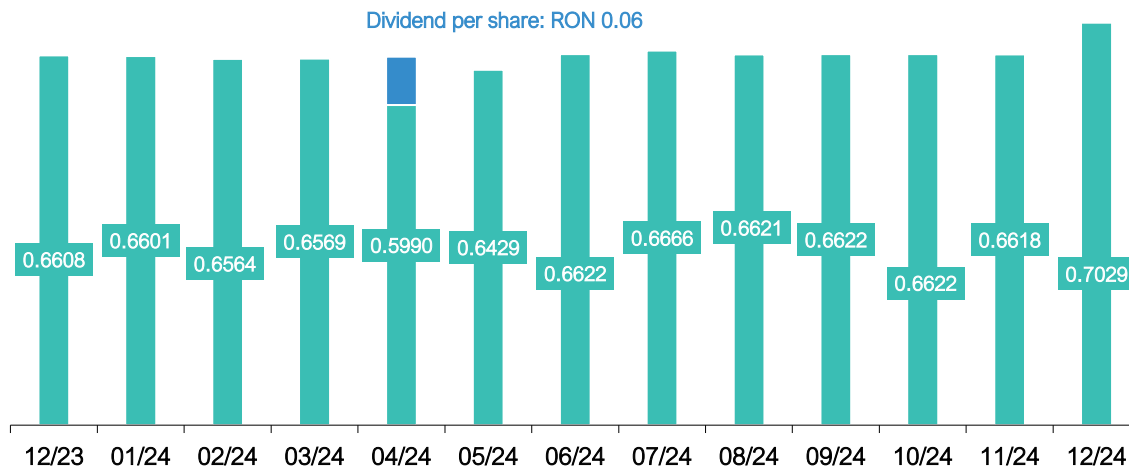


Source: Sole Director calculations

Note: Distribution Adjusted NAV per share is calculated as the NAV per share for the respective month plus the cumulated cash distributions per share since the start of FT mandates

Evolution of the NAV per share (RON)

The following chart shows information on the monthly published NAVs per share for the period from 31 December 2023 to 31 December 2024:



Source: Sole Director calculations

During the **first quarter of 2024**, the Fund has analysed the potential effect on the valuation of portfolio holdings of the events that took place between 31 October 2023 (the date of valuation reports for 31 December 2023 NAV reporting) and 31 December 2023 and consequently has adjusted the value of CE Oltenia SA from RON 64.8 million to RON 56.8 million in the 29 February 2024 NAV reporting of the Fund and in the 2023 IFRS financial statements of the Fund, authorised on 25 March 2024.

In addition, the value of the listed holdings decreased by RON 8.4 million during the quarter, mainly due to Alro SA share price drop.

During the **second quarter of 2024**, the NAV per share was stable (0.8% increase compared to the end of the first quarter). The most important developments during the quarter impacting the NAV were the valuation update of the unlisted holdings at the end of June (net increase of RON 65.5 million vs. 31 March 2024 NAV - details included below), the dividends recorded from portfolio companies (RON 145.3 million), the dividend distribution approved by the Fund's shareholders in April (RON 212.5 million) and the 15th buyback programme carried out by the Fund during this period (64.6 million shares acquired for a total value of RON 29.7 million).

In June the Fund performed valuation updates for the 4 largest unlisted holdings, which represent 95.5% of the Fund's total unlisted portfolio as at 30 June 2024. The valuation was performed with the assistance of KPMG Advisory, in accordance with International Valuation Standards. The valuation date for the updated reports was 31 May 2024 (date for the market multiples) and it was based on the financial data of the companies as at 31 March 2024. The reports also considered all relevant subsequent events until 30 June 2024 (such as dividends declared, changes in legislation, etc.).

The total impact of the valuation update was an increase of RON 57.6 million compared to 31 December 2023 NAV.

Portfolio company	Value in	Value in	Value in	30 Jun 2024 NAV vs.	
	30 Jun 2024 NAV	31 Mar 2024 NAV/ 29 Feb 2024 NAV	31 Dec 2023 NAV	31 Dec 2023 NAV	31 Dec 2023 NAV
	RON million	RON million	RON million	RON million	%
CN Aeroporturi Bucuresti SA	924.5	877.7	877.7	46.8	5.3%
CN Administratia Porturilor Maritime SA	349.4	328.3	328.3	21.1	6.4%
Societatea Nationala a Sarii SA	319.3	318.4	318.4	0.9	0.3%
CE Oltenia SA	53.6	56.8	64.8	-11.2	-17.3%
Total	1,646.8	1,581.2	1,589.2	57.6	3.6%

Source: Fondul Proprietatea internal records

In December 2023, the Fund prepared a valuation report for the holding in Mecon SA, a company listed on AeRO, the ATS of BVB, whose shares had not been traded since April 2023. In June 2024, Mecon shares started trading again on AeRO, however, due to the very low trading frequency the Fund considers that the market is not active according to the definition in IFRS 13 and as a result the market trades are not representative of the fair value of the holding. Consequently, in the NAV report prepared for 30 June 2024 the Fund continued to value the holding in Mecon SA based on the valuation report prepared in December 2023 with the assistance of the external valuer Darian DRS.

During the **third quarter of 2024**, the NAV per share was similar to the NAV at the end of the second quarter. The tender offer within the 15th buyback programme for 269 million shares (in the form of ordinary shares and shares equivalent to GDRs) at a price of RON 0.6622 was finalised on 30 September 2024. There were no significant valuation updates in Q3 2024 for the holdings in the Fund's portfolio.

During the **last quarter** of 2024 the NAV per share recorded an increase of 6.1%. The most important event that impacted the NAV per share was the valuation update process for the portfolio holdings.

For 31 December 2024 NAV, valuation updates in accordance with the International Valuation Standards were prepared for 15 holdings with the assistance of KPMG Advisory and Darian DRS, representing all the unlisted portfolio and 2 listed companies with low liquidity. The valuation date was 31 October 2024, and the reports were based on the financial data of the companies as at 30 September 2024. The overall impact of the valuation adjustments Fund's holdings is detailed in the table below:

Portfolio company	Value in	Value in	Value in	31 Dec 2024 NAV vs.	
	31 Dec 2024 NAV	30 Jun 2024 NAV	31 Dec 2023 NAV	31 Dec 2023 NAV	31 Dec 2023 NAV
	RON million	RON million	RON million	RON million	%
CN Aeroporturi Bucuresti SA	1,033.9	924.5	877.7	156.2	+17.8%
CN Administratia Porturilor Maritime SA	371.7	349.4	328.3	43.4	+13.2%
Societatea Nationala a Sarii SA	326.8	319.3	318.4	8.4	+2.6%
Complexul Energetic Oltenia SA	43.1	53.6	64.8	(21.7)	-33.5%
Zirom SA	25.6	28.6	28.6	(3.0)	-10.5%
Posta Romana SA	22.3	17.4	17.4	4.9	+28.2%
CN Administratia Canalelor Navigabile SA	14.2	15.6	15.6	(1.4)	-9.0%
Aeroportul Int Timisoara - Traian Vuia SA	7.4	6.0	6.0	1.4	+23.3%
CN Administratia Porturilor Dunarii Fluviale SA	4.9	3.1	3.1	1.8	+58.1%
CN Administratia Porturilor Dunarii Maritime SA	3.5	3.2	3.2	0.3	+9.4%
Plafar SA	3.1	2.0	2.0	1.1	+55.0%

Portfolio company	Value in	Value in	Value in	31 Dec 2024 NAV vs.	
	31 Dec 2024 NAV	30 Jun 2024 NAV	31 Dec 2023 NAV	31 Dec 2023 NAV	
	RON million	RON million	RON million	RON million	%
Aeroportul Int Mihail Kogalniceanu - Constanta SA	2.3	2.1	2.1	0.2	+9.5%
Societatea Electrocentrale Craiova SA	-	-	-	-	0.0%
Total unlisted holdings	1,858.8	1,724.8	1,667.2	191.6	+11.5%
Alcom SA	10.2	10.1	10.1	0.1	+1.0%
Mecon SA	2.4	2.4	2.4	-	0.0%
Romaero SA	-	-	-	-	0.0%
Total listed not liquid holdings	12.6	12.5	12.5	0.1	+0.8%
Total	1,871.4	1,737.3	1,679.7	191.7	+11.4%

Source: Fondul Proprietatea internal records

As at the date of this report, the Fund is currently analysing the potential effect on the valuation of portfolio holdings of the events that took place between 31 October 2024 and 31 December 2024 and any significant impact will be reflected in the final audited IFRS financial statements of the Fund for the year ended 31 December 2024 and in subsequent NAV reports.

The Fund will continue to closely monitor the evolution of financial markets and that of the specific industries the unlisted holdings operate in, and for each NAV reporting date will assess if an updated valuation is required.

Preliminary Financial Results

This section provides an overview of the Fund's preliminary financial position and performance for the year ended 31 December 2024.

The final audited IFRS financial statements of the Fund for the financial year ended 31 December 2024 will be published by the end of March 2025, as part of the documentation of the Fund's Annual GSM to be held on 29 April 2025.

Preliminary Unaudited Statement of Financial Position

RON million	31 December 2024 Unaudited	31 December 2023 Audited	31 Dec 2024 vs. 31 Dec 2023 (%)
Cash and current accounts	0.2	0.1	+100.0%
Distributions bank accounts	285.2	547.5	-47.9%
Deposits with banks	273.7	191.4	+43.0%
Equity investments	1,981.7	1,784.4	+11.1%
Non-current assets held for sale	-	432.6	-100.0%
Other assets	0.3	-	+100%
Total assets	2,541.1	2,956.0	-14.0%
Payable to shareholders	284.5	546.5	-47.9%
Other liabilities and provisions	6.6	67.3	-90.2%
Total liabilities	291.1	613.8	-52.6%
Total equity	2,250.0	2,342.2	-3.9%
Total liabilities and equity	2,541.1	2,956.0	-14.0%

Source: preliminary unaudited IFRS financial results of the Fund for 2024, audited IFRS financial statements for 2023

The **liquid assets** of the Fund during 2024 included mainly term deposits with banks. All instruments were denominated in RON, with maturities of up to one year. The distribution bank accounts can only be used for payments to shareholders for past dividends not yet collected.

The most important **cash inflows** during 2024 were related to sale of the Fund's entire stake in Engie Romania SA (RON 432.6 million), to the net dividends received from portfolio companies (RON 145.8 million) and interest received on term deposits and distribution accounts (RON 34.6 million), while the most significant **cash outflows** were related to net dividends paid (RON 443.6 million) and to the acquisition of treasury shares within the 15th buyback programme, including the tender offer settled in September 2024 (RON 216.4 million in total). Other significant outflows are represented by WHT payments performed (RON 58.6 million) and administration fees paid to FTIS (RON 41.2 million).

The net increase in **equity investments** of RON 197.3 million during 2024 was mainly related to the fair value increase of CN Aeroporturi Bucuresti SA (RON 156.2 million), Administratia Porturilor Maritime SA (RON 43.4 million), netted by the fair value decrease of Complexul Energetic Oltenia SA (RON 21.7 million). The updated valuation reports were prepared with the assistance of KPMG Advisory and Darian DRS and these generally have the valuation date of 31 October 2024 and use financial information from portfolio companies at 30 September 2024.

As at the publication date of this Preliminary Results Report, the financial audit procedures are ongoing and these include a subsequent events analysis for the period between 31 October 2024 and 31 December 2024 (market data movement, regulatory changes, corporate actions, etc.). Any

potential significant change in the valuation of portfolio companies will be included in the annual audited IFRS financial statements of the Fund and in subsequent NAV reports.

The decrease in **non-current assets held for sale** was due to the sale of the Fund's entire stake in Engie Romania SA (RON 432.6 million) as the transaction was completed during February 2024.

The equity elements at 31 December 2024 include an amount of RON 774,756,258, that corresponds to the loss from cancellation of the treasury shares acquired during 2023 within the 14th buy-back programme, which was completed in August 2024. In addition, an amount of RON 11,285,684 representing current income tax payable was booked directly in equity during 2024.

Preliminary Unaudited Statement of Comprehensive Income

RON million	2024 Unaudited	2023 Audited
Net gain/(loss) from equity investments at fair value through profit or loss	197.3	(1,612.3)
Gross dividend income	145.8	962.8
Interest income	34.1	157.5
Net gain from non-current assets held for sale	-	61.2
Other income/ (expenses), net ¹	1.0	1.1
Net operating income/ (loss)	378.2	(429.7)
Administration fees recognised in profit or loss	(19.6)	(202.2)
Other operating expenses	(17.4)	(265.1)
Operating expenses	(37.0)	(467.3)
Finance costs	-	(0.1)
Profit/(Loss) before income tax	341.2	(897.1)
Income tax	(1.8)	-
Withholding tax on the dividend income	-	(7.0)
Profit/(Loss) for the year	339.4	(904.1)
Other comprehensive income	-	-
Total comprehensive income for the year	339.4	(904.1)

Source: preliminary unaudited IFRS financial results of the Fund for 2024, audited IFRS financial statements for 2023

1. This caption mainly includes the net foreign exchange gain/ (loss), annual income from the depositary bank of the Fund's GDRs, net gain/ (loss) from other financial instruments at fair value through profit or loss and other operating income/ (expenses).

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 **net gain from equity investments at fair value through profit or loss** during 2024 was mainly generated by the valuation of the holdings in CN Aeroporturi Bucuresti SA (RON 156.2 million gain), in CN Administratia Porturilor Maritime SA (RON 43.4 million gain) netted by the fair value decrease of Complexul Energetic Oltenia SA (RON 21.7 million loss).

Gross dividend income was mainly generated by the amounts recorded from CN Aeroporturi Bucuresti SA (RON 80.4 million) and Societatea Nationala a Sarii SA (RON 63.7 million).

The **interest income** in 2024 was generated through cash placements performed by the Fund under the regular cash management process and interest on the distribution accounts.

For 2023, **net gain from non-current assets held for sale** 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.

The Hidroelectrica IPO completed during 2023 had a significant impact on multiple captions in the statement of comprehensive income: (1) net fair value gain/ (loss) for the difference between Hidroelectrica valuation at 31 December 2022 and at IPO completion date, (2) interest income, for the cash maintained between the IPO date and special dividend distribution payment date, (3) Sole Director distribution fees for the special dividend paid in September 2023 and (4) other operating expenses for the IPO transaction costs (banks, legal advisors, regulatory fees, other advisors, etc). Detailed information is presented in the reports published by the Fund related to FY 2023.

As a result of the Fiscal Code changes enacted at the end of 2023, the Fund was not able to fully utilize the prior periods fiscal losses balance and started to pay current **income tax** during 2024. The total income tax recorded by the Fund for 2024 amounts to RON 13,049,100 and includes amounts booked both in profit or loss and in equity (as a result of (1) the reduction in legal reserve following the share capital decrease finalised on 30 August 2024 and (2) the transfer to retained earnings of uncollected dividend distributions' balance, for which the statute of limitation occurred).

Signatures:

15 January 2025

Johan Meyer

Permanent Representative

Prepared by

Catalin Cadaru

Fund Administration and Oversight
Senior Manager

Franklin Templeton International Services S.à r.l. acting in the capacity of Sole Director and Alternative Investment Fund Manager of Fondul Proprietatea SA

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