

Fondul Proprietatea SA

Quarterly Report

For the Quarter Ended 31 March 2022

(This is a translation from the official Romanian version)



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Annexes

- Annex 1 Condensed Interim Financial Statements for the three-month period ended 31 March 2022, prepared in accordance with IAS 34 Interim Financial Reporting and applying the 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
- Annex 2 Statement of Assets and Obligations of Fondul Proprietatea SA as at 31 March 2022, prepared in accordance with FSA Regulation 7/2020 (Annex no.11)

List of Abbreviations

ACDP	Annual Cash Distribution Policy
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 function 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
AIFRI	Alternative investment fund for retail investors
ANRE	Romanian Energy Regulatory Authority
ATS	Alternative Trading System
BVB	Bucharest Stock Exchange
NBR	National Bank of Romania
CIIF	Certification of registration of securities
Depozitarul Central SA	Romanian Central Depository
DLOM	Discount of Lack of Marketability
ESG	Environmental, Social and Governance
EU	European Union
Fondul Proprietatea/ the Fund/ FP	Fondul Proprietatea SA
FSA	Romanian Financial Supervisory Authority
FT	Franklin Templeton
FTIS/ Alternative Investment Fund Manager/ Sole Director	Franklin Templeton International Services S.à r.l.
GDP	Gross Domestic Product
GDR	Global Depositary Receipt
GEO	Government Emergency Ordinance
GEO 114/2018	GEO 114/29 December 2018 on the implementation of certain measures in the field of public investments and of fiscal-budgetary measures and the amendment and completion of certain normative acts
GEO 1/2020	GEO 1/ 9 January 2020 regarding some fiscal-budgetary measures and the amendment and completion of some normative acts
GEO 74/2020	GEO 74/ 19 May 2020 for modifying Romanian Energy Law no. 123/2012
GSM	General Shareholders Meeting
EGSM	Extraordinary General Shareholders Meeting
IFRS	International Financial Reporting Standards as endorsed by the European Union
IMF	International Monetary Fund
IPS	Investment Policy Statement
LSE	London Stock Exchange
NAV	Net Asset Value
PRIIPs	Packaged retail and insurance-based investment products
Q1	First Quarter
REGS	Main market (Regular) of Bucharest Stock Exchange
RRR	Regulatory Rate of Return
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
SRD II	Shareholders Rights Directive II - Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement
TO	Tender Offer
Water Law	Romanian Water Law no. 107/1996
WEO	World Economic Outlook

Overview

Company Information

Fondul Proprietatea was incorporated on 28 December 2005 as a joint stock company operating as a closed-end investment company. The Fund is registered with the Bucharest Trade Register under the number J40/21901/2005 and has the sole registration code 18253260.

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.

During the reporting period, 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 2020 – 31 March 2022. The portfolio management and the administrative activities are performed by FTIS via its Bucharest Branch. During the 15 December 2021 GSM, the shareholders approved the new mandate of FTIS as AIFM and Sole Director of the Fund for the period 1 April 2022 – 31 March 2024.

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 Depository, having the Fund's shares as support, have been listed on the Specialist Fund Market of LSE.

The Fund's shares are not registered for distribution in other jurisdictions than Romania.

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-4522-8/25.02.2022

Source: Fondul Proprietatea

Shareholder Information

Shareholder Structure as at 31 March 2022¹

Shareholder categories	% of subscribed and paid-up share capital	% of voting rights
Romanian institutional shareholders	37.06%	38.36%
Romanian private individuals	20.13%	20.84%
The Bank of New York Mellon (GDRs) ²	16.57%	17.16%
Foreign institutional shareholders	14.02%	14.52 %
Foreign private individuals	3.04 %	3.14 %
Romanian State represented by Ministry of Finance	5.78%	5.98%
Treasury shares ³	3.40%	-

Source: Depozitarul Central SA

On 1 February 2022, the Romanian State, represented by the Ministry of Finance paid RON 189,182,422 to the Fund, as payment for all unpaid shares owned by the Romanian State in the Fund (as at 31 December 2021, the Romanian State held 363,812,350 unpaid shares, each share having a nominal value of RON 0.52). The payment was performed in exercise of the Romanian State's rights under Law 247/2005 on the reform in the fields of

¹Information provided based on settlement date of transactions

²Fondul Proprietatea held 0 GDRs as at 31 March 2022

³ 217,869,978 treasury shares out of which 23,498,224 treasury shares acquired during 2022, in the thirteen buyback program and 194,371,754 treasury shares acquired in the twelfth buyback program (during 2021)

property and justice, as well as some adjacent measures. Consequently, as of 1 February 2022, the new value of the Fund's subscribed and paid-up share capital is RON 3,334,342,422.84 (divided into 6,412,196,967 shares with a nominal value of RON 0.52/share). On 16 February 2022 the Trade Registry confirmed the registration of the payment, and on 25 February 2022 FSA issue a new certificate with no AC-4522-8/25.02.2022. As at the date of this report, there are no unpaid shares outstanding.

As at 31 March 2022 the Fund had 12,863 shareholders and the total number of voting rights was 6,194,326,989.

Largest Shareholders

Shareholder	Latest ownership disclosure	% of voting rights
NN Private Pension Funds	11 April 2022	11.24%
Silver Point Capital Funds	2 December 2021	10.85%
Ministry of Finance	30 March 2022	5.97%
Allianz-Tiriac Private Pension Funds	1 July 2019	5.05%

Share Capital Information

Share capital information	31 March 2022	31 December 2021	31 March 2021
Issued share capital (RON)	3,334,342,422.84	3,334,342,422.84	3,749,282,292.08
Paid in share capital (RON)	3,334,342,422.84	3,145,160,000.84	3,560,099,870.08
Number of shares in issue	6,412,196,967	6,412,196,967	7,210,158,254
Number of paid shares	6,412,196,967	6,048,384,617	6,846,345,904
Nominal value per share (RON)	0.52	0.52	0.52

Source: Fondul Proprietatea

Summary of Financial Results

The following table shows a summary of the financial information of the Fund during the period:

NAV* and share price developments**	Notes	Q1 2022	Q1 2021	YE 2021
Total shareholders' equity at the end of the period (RON million)		14,535.9	10,850.8	13,757.5
Total shareholders' equity change in period (%)		+5.7%	+5.7%	+34.0%
Total NAV at the end of the period (RON million)	a	14,535.9	10,850.8	13,244.6
Total NAV change in period (%)	j	+9.7%	+5.7%	+29.0%
NAV per share at the end of the period (RON)	a	2.3466	1.8166	2.2624
NAV per share at the end of the period (USD)	a	0.5272	0.4329	0.5176
NAV per share change in the period (%)		+3.7%	+7.0%	+33.3%
NAV per share total return in the period (%)	g	+3.7%	+7.0%	+47.8%
Share price as at the end of the period (RON)	b	2.1100	1.7450	1.9900
Share price low in the period (RON)	b	1.7600	1.4400	1.4400
Share price high in the period (RON)	b	2.1100	1.7450	1.9900
Share price change in the period (%)		+6.0%	+20.3%	+37.2%
Share price total return in the period (%)	h	+9.2%	+20.3%	+48.5%
Share price discount to NAV as at the end of the period (%)	d	-10.1%	-3.9%	12.0%
Average share price discount in the period (%)	d	10.8%	7.0%	5.7%
Average daily share turnover in the period (RON million)	c	6.2	3.9	3.6
GDR price as at the end of the period (USD)	e	23.4000	20.4000	22.6000
GDR price low in the period (USD)	e	19.5000	17.4000	17.4000
GDR price high in the period (USD)	e	24.2000	20.4000	22.6000
GDR price change in the period (%)		+3.5%	+19.3%	+32.2%
GDR price total return in the period (%)	i	+6.5%	+19.3%	+42.0%
GDR price discount to NAV as at the end of the period (%)	d	-11.2%	-5.8%	12.7%
Average GDR price discount in the period (%)	d	-11.7%	-9.5%	7.6%
Average daily GDR turnover in the period (USD million)	f	0.3	0.7	1.0

Source: Fondul Proprietatea, BVB (for shares), LSE and Bloomberg (for GDRs)

* NAV for the end of each period was computed in the last working day of the month

** Period should be read as Q1 2022/ Q1 2021/ year end 2021, respectively

Notes:

- a. Prepared based on local rules issued by the capital market regulator (NAV in USD using the BNR 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; the average discount is calculated according to IPS, using the latest published NAV per share at the date of calculation (NAV in USD using the BNR FX rate at the reporting date) and include both the days with premium and discount
- e. Source: Bloomberg/ LSE - Closing prices
- f. Source: FP and Bloomberg/ LSE
- 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. Subsequent to 31 December 2021 NAV publication, the Fund Manager obtained the preliminary results of Hidroelectrica for the full 2021 financial year. The updated valuation report is reflected in the financial statements as of 31 December 2021 and was included in the January 2022 NAV. The valuation date was 31 December 2021 with a new value of RON 9,040.9 million (total impact of the valuation update in the Fund's NAV as at 31 January 2022 resulted in a net increase of RON 512.9 million, an increase in value with 3.87%, compared with 31 December 2021).

The table below presents the unaudited results of the Fund in accordance with IFRS for the three months ended 31 March 2022:

RON million	31 March 2022	31 March 2021
Profit for the quarter ended	826.1	701.4
Total shareholders' equity as at	14,535.9	10,850.8

The main contributor to the profit recorded in the first quarter of 2022 was the net gain from equity instruments at fair value through profit or loss amounting to RON 821.2 million, generated by the valuation update for Hidroelectrica, net off by the negative share price evolution of the Fund's listed holdings (mainly coming from OMV Petrom SA).

For more details, please see the section *Financial Statements Analysis*.

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Analysis of the Fund's Activity

Regulated Stock Market Trading

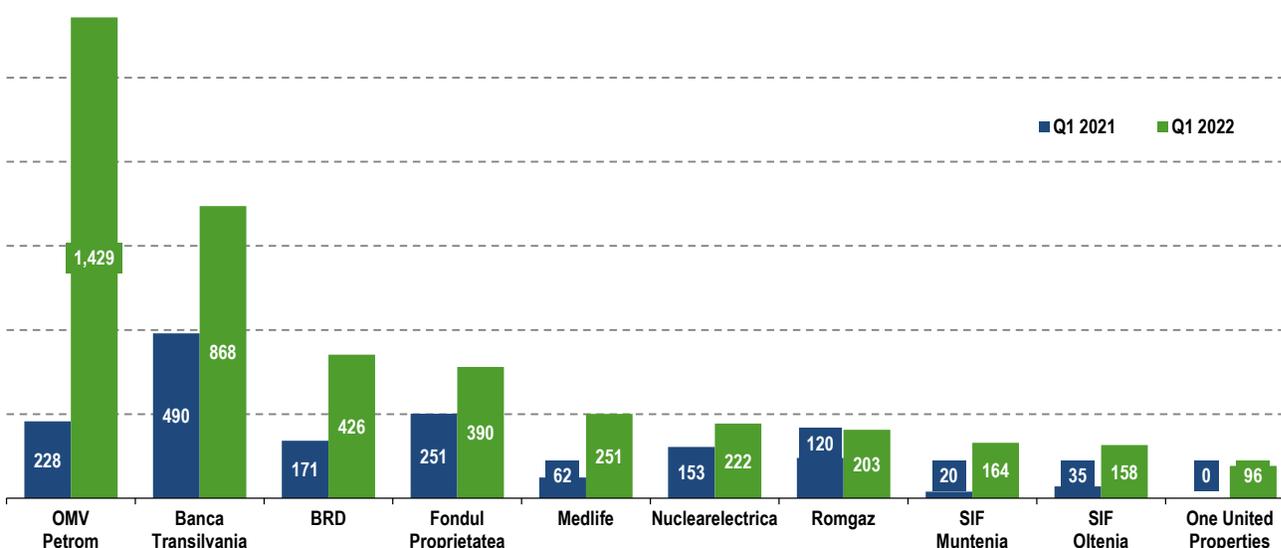
Local Stock Market Evolution

In the quarter ended 31 March 2022, BVB had the lowest decline in local currency terms, and second decrease in EUR terms compared to the largest markets in Central Europe, as shown in the table below:

% change in Q1 2022	in local currency	in EUR
PX (Czech Republic)	-4.12%	-2.43%
BET-XT (Romania)	-3.40%	-3.26%
WIG20 (Poland)	-5.91%	-7.21%
BUX (Hungary)	-11.82%	-11.55%
ATX (Austria)	-14.25%	-14.25%

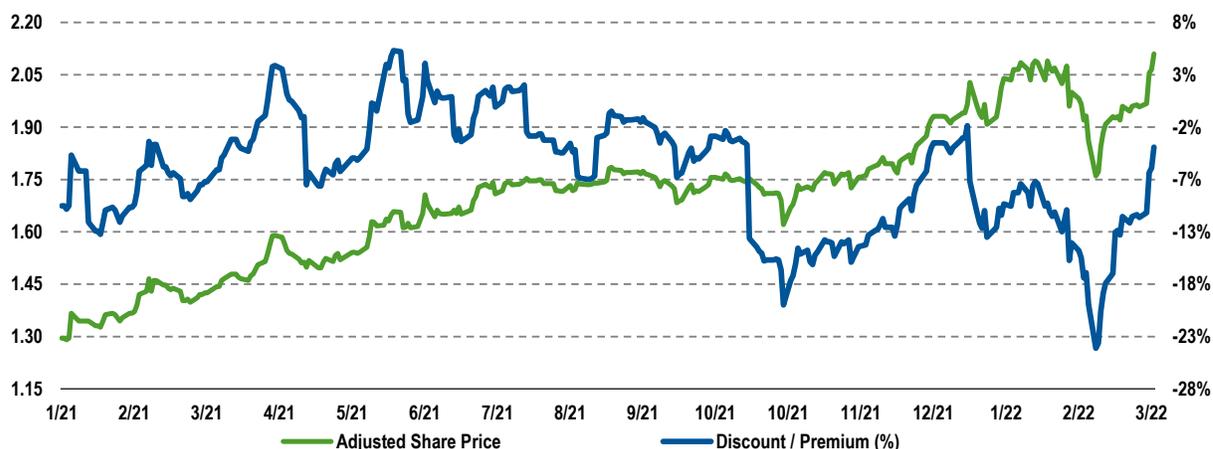
Source: Bloomberg

Average Daily Turnover (RON million)



Source: BVB, Bloomberg

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



Source: Bloomberg for Adjusted Share Price, Fondul Proprietatea for Discount / Premium

Note: The value of the discount / premium is calculated in accordance with the IPS, i.e. the discount / premium between FP closing share price on BVB - REGS for each trading day and the latest published NAV per share at the date of calculation

As of 31 March 2022, the share price was RON 2.11, a record high value which implied a trading discount of 4.26%, based on the latest NAV available at the date of the calculation.

Management and Governance of the Fund

Management Agreement in force during the reporting period

During the first quarter of 2022, the Fund was managed under the Management Agreement approved during the 28 June 2019 GSM, with a duration of 2 years (1 April 2020 – 31 March 2022), under the same key commercial terms as the previous one.

Key commercial terms

Base Fee per year	<ul style="list-style-type: none"> 0.60% Discount 15% – 20%, + 0.05%, i.e. Base Fee Rate = 0.65% Discount < 15%, + 0.05%, i.e. Base Fee Rate = 0.70%
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"> 1.00% 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"> 2 years

The New FTIS Mandate starting with 1 April 2022

During 2021 the shareholders approved the new two-year mandate for FTIS as AIFM and Sole Director of the Fund starting with 1 April 2022, and all actions are completed for the start of the new mandate.

The renewal process for FTIS' mandate involved two steps, similar to 2017. The key commercial terms were approved as proposed during the shareholders' meeting that took place on 29 September 2021. During the second shareholder meeting from 15 December 2021, the shareholders approved:

- The updated IPS and
- The new AIFM management agreement.

According with the new AIFM Management agreement coming into force starting with 1 April 2022, the key commercial terms approved by shareholders on 29 September 2021 are:

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 and 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

The mandate continuation vote will take place in April 2022, and there will not be a mandate continuation vote in April 2023 as there will be a negotiation for a new mandate during the same year.

Updates regarding the Fund's application to FSA for registering as an AIF

On 28 January 2022, FSA authorized Fondul Proprietatea as an Alternative Investment Fund closed-end type (authorization no. 25/28.01.2022), addressed to retail investors ("closed-end type AIFRI"), with BRD Groupe Société Générale as depositary.

FSA also authorized the amendments to the Fund's Constitutive Act, as approved by the Fund's EGSM Resolution no. 1 of 14 January 2021 and the simplified Prospectus of Fondul Proprietatea.

The updated Constitutive Act, incorporating the amendments authorised by FSA Authorization no. 25/28 January 2022, as registered with the Trade Registry on 8 February 2022, is published on the Fund's website:

www.fondulproprietatea.ro, in the *About the Fund/Fund Overview/Corporate Governance* section. Also, the documentation regarding the operation of the Fund as a closed-end type AIFRI, established as an investment company, managed by FTIS can be consulted on the website: www.fondulproprietatea.ro, in the *About the Fund/Fund Overview* section.

Board of Nominees changes

As of 31 March 2022, the structure of the Board of Nominees was:

- Mrs Ilinca von DERENTHALL – Chairperson
- Mr Ciprian LĂDUNCĂ – Member and Chairman of the Audit and Valuation Committee
- Mr Nicholas PARIS - Member and Chairman of the Nomination and Remuneration Committee
- Mr Omer TETIK – Member

Starting with 18 December 2021, Mr. Mark Gitenstein resigned from the position held as member of the Board of Nominees and Consultative Committees of the Fund. As a result, a succession plan for replacing Mr Mark Gitenstein was implemented and the election of a new member of the Board of Nominees for the vacant position approved by shareholders during the 20 April 2022 Ordinary General Shareholders Meeting.

For more details regarding the members of Board of Nominees please check the website of the Fund www.fondulproprietatea.ro.

For current updates, please see section *Subsequent events*.

Performance Objectives

According to the Management Agreement in force starting with 1 April 2022, the First Reporting Period of the mandate is from 1 January until 31 December 2022 and the Second Reporting Period is from 1 January until 31 December 2023.

In accordance with the Fund's IPS, there are two performance objectives that the AIFM is aiming to achieve. The NAV objective refers to an Adjusted NAV¹ per share 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 – first reporting period (interim monitoring)

The Adjusted NAV per share as at 31 March 2022 was 3.73% higher than the 31 December 2021 NAV per share of RON 2.2624.

NAV Objective	Amount RON	Details
Total NAV as 31 March 2022	14,535,940,090	
Costs related to buy-backs after 31 December 2021	57,285	Fees related to thirteenth buy-back programme after 31 December 2021, excluding the distribution fees for buy-backs.
Distribution fees for buy-backs performed after 31 Dec 2021	485,303	Distribution fees for buy-backs, after 31 December 2021
Costs related to the returns of capital and dividends after 31 December 2021	30,739	Fees charged by the Central Depository and Paying Agent for the payments performed for dividends.
Total Adjusted NAV as at 31 March 2022	14,536,513,417	
Number of Fund's paid shares, less treasury shares and GDRs held as at 31 March 2022	6,194,326,989	
Adjusted NAV per share as at 31 March 2022	2.3468	
NAV per share as at 31 December 2021	2.2624	
Difference	0.0844	
%	3.73%	

Source: Fondul Proprietatea

¹ Summarizing the provisions of the IPS, 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.

The Sole Director is committed to its continued efforts towards protecting shareholders' value and to implement the necessary measures in accordance with the IPS to address this volatile environment. For 2022, the Sole Director proposed, and shareholders approved during the 20 April 2022 shareholders meeting a dividend distribution of RON 0.1250 per share with payment date on 27 June 2022 and the remaining cash balance will be distributed to shareholders through a combination of share buybacks through daily repurchases and a Tender offer approved by FSA on 11 May 2022 (see details in the below subchapter *Buy-back Programmes* and *Subsequent Events* section).

Discount Objective – first reporting period (interim monitoring)

In the period between 1 January 2022 and 31 March 2022, the discount to NAV was below 15% in 52 trading days (83% of the quarter) while in the remaining 11 days was above 15%.

Discount / Premium (%) Evolution¹

	(Discount)/ Premium at the Start of the Reporting Period – 3 January 2022	(Discount)/ Premium at the End of the Reporting Period – 31 March 2022	Average (Discount)/ Premium for the Reporting Period 3 January – 31 March 2022	(Discount)/ Premium Range for the Reporting Period 3 January – 31 March 2022
Share price	(3.83)%	(4.26)%	(10.81)%	(2.1)% – (24.0)%
GDR	(4.22)%	(6.10)%	(11.66)%	(1.7)% – (25.4)%

Source: Fondul Proprietatea

The AIFM will continue its efforts to minimize the discount to NAV, through close collaboration with underlying portfolio assets 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.

GDR Facility

The GDR facility is limited to one-third of the Fund's subscribed share capital under the Romanian securities regulations, i.e. 42,747,979 GDRs as at 31 March 2022, each GDR representing 50 shares. As at 31 March 2022, 1,062,452,100 of the Fund's issued shares were held by The Bank of New York Mellon, the GDR depository bank, accounting for 21,249,042 GDRs, representing 49.71% of the GDR facility.

Investor Relations

In the first three months of the year, 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, the Fund's management team organised a road-show in the United States 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 first quarter, we also participated to two online investor conferences, during which we discussed with representatives of 23 international institutional investors and brokers.

On 2 February we organized a conference call for institutional investors and financial analysts to inform them about the latest developments regarding Fondul's share capital and the payment made by the Romanian Ministry of Finance on 1 February for all unpaid shares owned by the Romanian State in Fondul Proprietatea. 28 investors and analysts participated to the call.

On 28 February, we organized the 2021 Annual Results Conference Call with institutional investors and financial analysts, where 28 professionals participated.

Furthermore, during the first quarter, 20 conference calls were organized with institutional investors and financial analysts covering Fondul Proprietatea, interested in the latest developments regarding the Fund's corporate actions, and its portfolio companies.

¹ The value of the discount / premium is calculated in accordance with the IPS, i.e. the discount / premium between FP closing share price on BVB - REGS for each trading day and the latest published NAV per share at the date of calculation.

Communication between the Fund Manager 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.

Buy-back Programmes

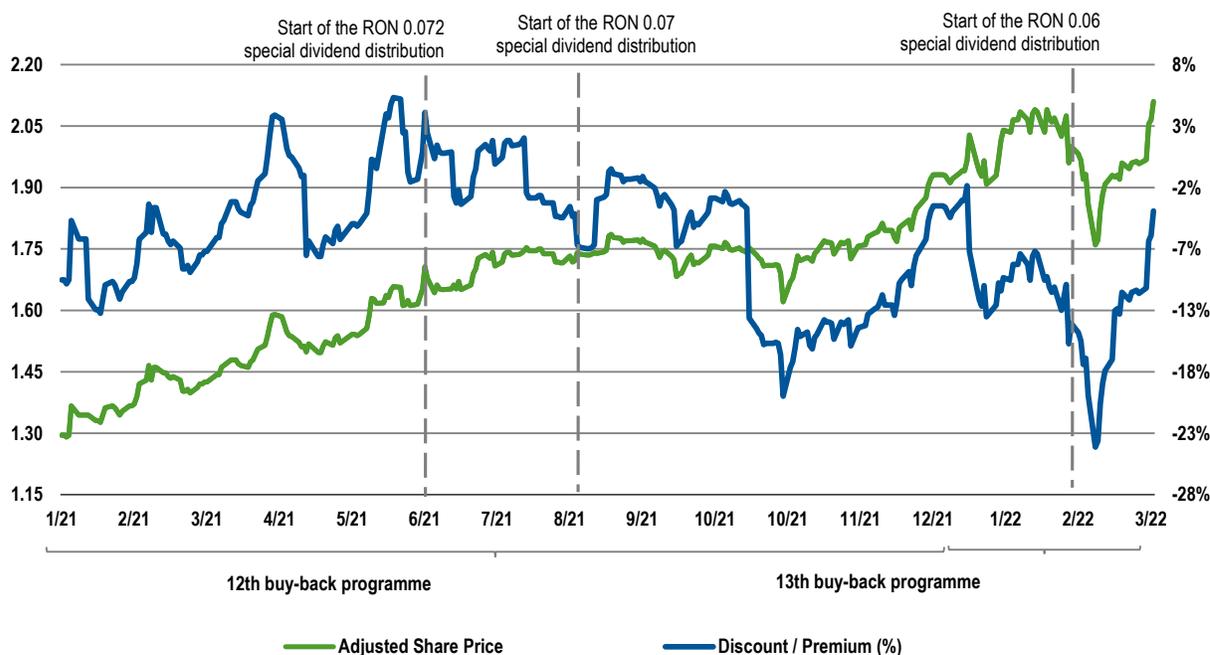
Overview of share buy-back programmes since listing

Programme	Period	No. of shares repurchased (million shares)	Tender offer	Cancellation of shares
First	May – Sep 2011	240.3	N/A	Completed
Second	Apr – Dec 2013	1,100.9	Oct – Nov 2013	Completed
Third	Mar – Jul 2014	252.9	N/A	Completed
Fourth	Oct 2014 – Feb 2015	990.8	Nov – Dec 2014	Completed
Fifth	Feb – Jul 2015	227.5	N/A	Completed
Sixth	Sep 2015 – Sep 2016	891.7	Aug – Sep 2016	Completed
Seventh	Sep 2016 – May 2017	830.2	Feb – Mar 2017	Completed
Eight	May – Nov 2017	141.9	N/A	Completed
Ninth	Nov 2017 – Dec 2018	1,488.0	Jan – Feb 2018	Completed
Tenth	Jan – Dec 2019	403.8	Jul – Aug 2019	Completed
Eleventh	Jan – Dec 2020	798.0	Jan – Mar 2020/ July – Sep 2020/ Oct – Dec 2020	Completed
Twelfth	Jan - Dec 2021	194.4	N/A	Last trade date on 31 December 2021. Cancellation of shares approved during April 2022 GSM.
Thirteenth	Jan – Mar 2022	23.5	May – June 2022	The programme was approved during 15 December 2021 GSM and started on 31 January 2022 and suspended on 14 March 2022 for the Tender Offer approved by FSA on 11 May 2022
TOTAL		7,583.9		

Source: Fondul Proprietatea

Discount / premium and buy-back programmes evolution

The chart below presents the evolution of the discount / premium and trading price by reference to the buy-back programmes and dividend distributions implemented:



Source: Bloomberg for Adjusted Share Price, Fondul Proprietatea 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

During the quarter ended 31 March 2022, the Fund bought back a total number of 23,498,224 own shares within the thirteenth buy-back programme (out of which 22,678,924 ordinary shares and 819,300 ordinary shares

corresponding to GDRs), representing 0.37% of the total issued shares as at 31 March 2022, for a total acquisition value of RON 47,198,950.32, excluding transaction costs. The total number of own shares (including shares corresponding to GDRs) held by the Fund as at 31 March 2022 is 217,869,978 own shares, having a total nominal value of RON 113,292,388.56 (RON 0.52 per share). During Q1 2022 the Fund converted 16,386 GDRs into 819,300 ordinary shares. As at 31 March 2022, the Fund did not hold any GDRs.

The table below shows a summary of the buy-back programmes conducted during the first quarter of 2022*:

Programme	Description	No of shares*	Equivalent shares of GDRs*	Total no of shares	% of issued share capital***
12th	Opening balance as at 1 January 2022	193,776,054	595,700	194,371,754	
	Acquisitions	-	-	-	
	Conversions	595,700	(595,700)	-	
	Closing balance as at 31 March 2022	194,371,754	-	194,371,754	3.03%
	Weighted average price (RON per share; USD per GDR)**	1.7017	20.1058	1.6878	
13th	Opening balance as at 1 January 2022	-	-	-	
	Acquisitions	22,678,924	819,300	23,498,224	
	Conversions	819,300	(819,300)	-	
	Closing balance as at 31 March 2022	23,498,224	-	23,498,224	0.37%
	Weighted average price (RON per share; USD per GDR)**	2.0126	21.2996	2.0086	
All	Total balance of treasury shares as at 31 March 2022	217,869,978	-	217,869,978	3.40%

Source: Fondul Proprietatea

* Based on the transaction date

** Weighted average price is calculated based on transaction price, excluding the related transaction costs, for the entire buy-back programme

***calculated as the total number of shares acquired within the programme (own shares and shares corresponding to GDRs) divided by the number of shares corresponding to the issued share capital at the reporting date.

The twelfth buy-back programme (implemented during 2021)

The twelfth buy back programme has been finalized on 31 December 2021. During the 20 April 2022 Extraordinary General Shareholders' Meeting, the Fund's Sole Director proposed, and the shareholders approved the cancellation of the 194,371,754 treasury shares repurchased through the twelfth buy-back programme. The Fund will undertake all the required legal and regulatory steps for the cancellation of the shares. For more details, please see section *Subsequent events*.

The Thirteenth buy-back programme (implemented during 2022)

During the 15 December 2021 GSM the shareholders approved the thirteenth buy-back programme for a maximum number of 800,000,000 shares and/ or equivalent GDRs corresponding to shares, starting with 1 January 2022 until 31 December 2022, at a price that cannot be lower than RON 0.2 per share or higher than RON 2.5 per share. The shares repurchased during the buy-back programme will be cancelled. The Fund selected Auerbach Grayson in consortium with Swiss Capital to provide brokerage services for the programme. The Fund is allowed to buy back daily up to 25% of the average daily trading volume of the Fund's shares (in the form of ordinary shares or GDRs) on the regulated market on which the purchase is carried out, calculated in accordance with the applicable law.

The thirteenth buy-back programme started on 31 January 2022.

Tender Offer within the thirteenth buy-back programme

On 29 March 2022 the Fund submitted to the FSA an application for the endorsement of a tender offer to accelerate the thirteenth buy-back programme. Under this tender offer, the Fund intends to repurchase from its shareholders up to 325,000,000 shares (both in the form of shares and GDRs).

The daily execution of buy-backs for both shares on BVB and GDRs on LSE was suspended starting with 14 March 2022.

The Fund engaged Swiss Capital S.A. together with Auerbach Grayson as agents and Swiss Capital S.A. as intermediary in relation to the purchase of shares and The Bank of New York Mellon as tender agent in relation to the GDR purchases.

On 11 May 2022, the FSA approved the Fund's application for the public tender offer.

For more details, please see section *Subsequent events*.

Impact of the buy-back programmes on the Fund's equity

The Fund recognises the treasury shares (repurchases of own shares and GDRs) at trade date as a deduction from shareholders' equity (in an equity reserve account). Treasury shares are recorded at acquisition cost, including brokerage fees, distribution fees and other transaction costs directly related to their acquisition.

Upon completion of all legal and regulatory requirements, the treasury shares are cancelled and netted off against the share capital and/ or other reserves. The details on the accounting treatment to be applied for the registration and cancellation of treasury shares can be found in the FSA Norm no. 39/2015, article 75.

A negative equity element arises upon cancellation of the shares acquired in a buy-back programme, where the acquisition price is higher than the nominal value, but this does not generate an additional shareholder's equity decrease. At the cancellation date, only a reallocation between the equity accounts is booked, without any impact on profit or loss and without generating additional shareholders' equity decrease (the decrease is recorded at share acquisition date).

Article 75 from Norm no. 39/2015 mentions that the negative balance arising on the cancellation of equity instruments may be covered from the retained earnings and other equity elements, in accordance with the resolution of the General Shareholders Meeting. As at 31 March 2022, the Fund's equity elements that could be used to cover the negative reserve are sufficient and include retained earnings, reserves and share capital.

Coverage of the negative reserves

There were no changes in the negative reserves balance during the quarter ended 31 March 2022.

The total negative reserves recorded by the Fund as at 31 March 2022 of RON 671,941,938 are related to the cancellation of the shares acquired within the eleventh buy-back programme. During the April 2022 Annual GSM, the shareholders approved the coverage of these negative reserves using the other reserves set up for this purpose as per the decision taken in the 2021 Annual GSM.

The table below shows additional details on the estimated negative reserve that will arise upon the cancellation of the treasury shares in balance, as at 31 March 2022:

Negative reserve that would arise on cancellation of the treasury shares in balance as at 31 March 2022		Buy-back programme 12	Buy-back programme 13
Number of shares to be cancelled	(1)	194,371,754	23,498,224
Total costs (including transaction costs and other costs), representing the accounting value of the shares to be cancelled in the future (RON)	(2)	331,650,005	47,728,293
Correspondent nominal value (NV = RON 0.52 per share) (RON)	(3)=(1)*NV	101,073,312	12,219,076
Estimated negative reserve to be booked on cancellation (RON)	(4)=(3)-(2)	(230,576,693)	(35,509,217)

Source: Fondul Proprietatea

During the 20 April 2022 Annual GSM, the Fund's Sole Director proposed, and shareholders approved the cancellation of the 194,371,754 treasury shares repurchased within the twelfth buy-back programme and also the allocation of RON 230,576,693 from 2021 accounting profit to other reserves in order to be available for covering the related negative reserve.

The related negative reserve in amount of RON 230,576,693 (please see table above), will be recorded only after all legal and regulatory steps related to the cancellation are completed (e.g. Financial Supervisory Authority endorsement, the registration to the Trade Registry). The coverage of this negative reserve will be subject to shareholders approval during the annual shareholders' meeting subsequent to the completion of all cancellation steps.

General Shareholders Meeting Resolutions in the First Quarter of 2022

During Q1 2022 there were no general shareholders meetings. Please see the *Subsequent Events* sections for additional information.

Outlook for 2022

Overview

11 March 2022 marks 2 years since the World Health Organization declared the COVID-19 outbreak as a pandemic, however, the unpredictable behaviour of COVID virus is still contributing to the continued global pandemic context. During the first months of 2022, some countries have eased their COVID-19 restrictions. Starting with 9 March 2022 the Romanian Government announced that the state of alert and the local restrictions which were applied for preventing and combating the effects of the COVID-19 pandemic will cease.

Compared to last year projections, the outlook has deteriorated, largely because of the Russian invasion of Ukraine, starting with 24 February 2022, and the sanctions applied by many states with the aim to pressure Russia to end the hostilities.

Even if at the beginning of the year the risks associated with the pandemic have decreased, the war has brought new risks to the economic prospects which took a downwards trend.

Economic impact

In the April 2022 WEO, the IMF pinned the economic deceleration on Russia's invasion of Ukraine. The war in Ukraine has a significant impact on economic growth especially for the Euro area through higher energy and commodity prices and disruption of international commerce.

Even though the growth rate had an upwards trend during January and February 2022, the war impact as well as the gradual withdrawal of the political incentives have led to a downwards revised global economic projection compared with December 2021, mainly for 2022 and 2023. In March 2022, The Central European Bank anticipated a moderation of global real **GDP** dynamics to 4.1% in 2022 and 3.6 in both 2023 and 2024¹. In April 2022, according with IMF, the **global growth** was projected to slow from an estimated of 4.4% forecast issued in January to 3.6% in 2022 and 2023² (growth in 2021 was about 6.1%).

For Romania, according with April 2022 WEO, the real **GDP** for 2021 was of 5.9% and it is expected to moderate to 2.2% in 2022 and 3.4% to 2023².

The economic outlook will depend on the evolution of the Russian-Ukrainian war, as well as the impact of economic sanctions and financial measures, as well as other potential measures. The **inflation** is now projected to remain elevated for much longer than the previous forecast, for advanced and emerging markets as well as for developing economies.

The Central European Bank projections from March 2022 show an **annual inflation rate** for Euro zone at around 5.1% for 2022, 2.1% for 2023 and 1.9% for 2024¹.

From IMF projections from April 2022, the 2022 **inflation** is estimated at 5.7% in advanced economies and 8.7% for emerging markets and developing economies³. The IMF signals that if the inflation will be high over the medium term, central banks will be forced to react faster than currently anticipated (raising interest rates and exposing debt vulnerabilities, particularly in emerging markets).

For Romania, according with May 2022 NBR Quarterly Inflation Report⁴, it is estimated an increased inflation rate of 14.2% at the end of the second quarter of 2022 and 12.5% at yearend 2022.

Between August 2021 and February 2022, **the crude oil prices** increased by 36%, driven by a strong recovery in oil demand, effects of Omicron variant in late 2021 and the geopolitical tensions and Ukraine war in February 2022 and it is estimated that will increase with 55% in 2022¹. In 2022, according with the International Energy Agency, the global demand of oil is projected to increase to 99.7 million barrels a day, the projection being with 1.1 million barrels a day downward compared with the previous one¹.

Russia's invasion of Ukraine has generated substantial volatility on **financial markets**. After the outbreak of the war, the initial growth was partially reversed, and the share prices decreased. The financial sanctions against Russia, including the exclusion from SWIFT of some Russian banks, did not cause severe market tensions or liquidity deficits in the euro banking system area.

¹ <https://www.ecb.europa.eu/pub/economic-bulletin/html/eb202202.en.html>

² [World Economic Outlook, April 2022 \(imf.org\)](https://www.imf.org/en/Publications/WEO/Issues/2022/04/01/world-economic-outlook-april-2022)

³ [World Economic Outlook, April 2022 \(imf.org\)](https://www.imf.org/en/Publications/WEO/Issues/2022/04/01/world-economic-outlook-april-2022)

⁴ <https://www.bnr.ro/Raport-asupra-inflatiei,-mai-2022-24192.aspx>

During the first quarter of 2022, the **Romanian capital market**¹ registered a much higher increase for the investors on the BVB compared with previous year. The total value of share transactions increased in the first three months of 2022 by 105% compared to the same quarter of the previous year and amounted to RON 5.03 billion (EUR 1.02 billion). In the last trading session from March, the BET index had a decrease of 2.7%, reaching level of 12,712 points. The BET-TR index, which also includes dividends, ended the first quarter with a slight depreciation of 0.7% to a level of 22,949 points.

Portfolio impact

During Q1 2022, given the current economic context, mainly Ukraine war, the Fund has performed multiple assessments of the related impact on the valuation of unlisted holdings in the portfolio.

KPMG Advisory Romania has assisted with the preparation of an analysis of multiples' evolution between the last valuation date (31 October 2021/31 December 2022) and 28 February 2022 for all companies for which the market method is the primary method used. The impact was considered to be not significant, and no adjustment was made to the to the valuation for NAVs reported during the first quarter of 2022, however for some of the companies the Fund will continue to monitor the developments and will request a new valuation report from KPMG.

Regarding Hidroelectrica, the Fund performed multiple valuation reports with the help of KPMG Advisory Romania. In February 2022, with the help of KPMG Advisory Romania and based on preliminary results of Hidroelectrica for the full 2021 financial year, the Fund prepared a new valuation report, subsequent to 31 December 2021 NAV publication, which impact was booked in January 2022 NAV. The valuation date was 31 December 2021 with a new value of RON 9,040.9 million (total impact of the valuation update in the Fund's NAV as at 31 January 2022 resulted in a net increase of RON 512.9 million, an increase in value with 3.87%, compared with 31 December 2021).

In March 2022, following the company's GSM approval for listing the holding of Fondul in BVB, KPMG performed a new estimation of DLOM. The total impact was an increase in Hidroelectrica SA value was with 16.4% / RON 1,396.5 million on 31 March 2022 NAV compared to 31 December 2021 NAV (or 9.77% / RON 883.5 million compared with the last valuation report).

During this volatile and uncertain period, 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.

Impact on operations and business continuity

Since the start of COVID-19, the Sole Director has taken a number of precautionary measures to limit the impact on the Fund's activity. The business continuity plan has been activated to protect and minimise risk to employees, while also ensuring no disruption to business operations and management of Fondul Proprietatea. The Sole Director has a robust and regularly tested work-from-home capability and 90% of Bucharest employees have worked remotely since 16 March 2020. The Fund's business operations continue to be fully functional. At its headquarters, additional hygiene and disinfection measures have been implemented.

The communication with the Fund's shareholders takes place smoothly in these circumstances: the Sole Director continues to provide regular updates to them via current reports, conference calls, usual calls, e-mails and updates on the Fund's website. Starting 10 March 2022, the only restriction that temporarily applies is that shareholders are able to visit the Fund's office, on a pre-arrangement basis.

The Sole Director does not envisage difficulties for the Fund in fulfilling commitments to shareholders and obligations to third parties, the current and estimated future cash flows being sufficient to cover the payments and the ongoing distributions to shareholders during the year.

¹ https://bvb.ro/press/2022/BVB_Monthly%20report%20March%202022.pdf

Regulatory Updates

Updates regarding the Fund's application to FSA for registering as an AIF

On 28 January 2022, FSA authorized Fondul Proprietatea as an Alternative Investment Fund closed-end type (authorization no. 25/28.01.2022), addressed to retail investors ("closed-end type AIFRI"), with BRD Groupe Société Générale as depositary.

FSA also authorized the amendments to the Fund's Constitutive Act, as approved by the Fund's Extraordinary General Shareholders' Meeting Resolution no. 1 of 14 January 2021 and the simplified Prospectus of Fondul Proprietatea.

Documentation regarding the operation of the Fund as a closed-end type AIFRI, established as an investment company, managed by FTIS, including the in force Constitutive Act, can be consulted on the FP website: www.fondulproprietatea.ro, in the *About Fondul Proprietatea* section.

Romanian state prohibited from selling shares in Romanian companies for two years

In August 2020, the Romanian Parliament enacted Law 173/2020 regarding certain measures for protecting national interest within the economic activity. The law entered into force on 16 August 2020, banning the sale of shareholdings owned by the Romanian state in national companies, banks or other companies in which the state is a shareholder, irrespective of the ownership percentage, for the next two years. Ownership transfers that commenced before the entry into force of the law are suspended for a two-year term. Even though this suspension will not apply to finalised privatisations, these restrictions have an impact on the Romanian market and further complicates the long-awaited listing of energy producer Hidroelectrica SA, Romania's most valuable state company, and other ongoing sales of companies where the state holds shares. On 5 October 2020, GEO no. 166/2020 entered into force, setting exceptions from Law 173/2020. On 3 February 2021, the Government proposed for Parliament's approval a new draft law that repeals the requirements of Law 173/2020, which was adopted by the Senate on 22 March 2021. The draft law is still in Parliament for other legislative procedure. There is no estimation as to when this law will enter into force and if this will be before 15 August 2022 when Law 173/2020 ends its effects.

Changes in Romanian Water Law

During 2020, the Parliament approved several changes to the Water Law which entered into force on 13 July 2020 while the Romanian Government changed the Water Law starting with 31 December 2020, via a GEO. According to these changes, all owners of water installations that collect underground or surface waters are required to install water metering devices within 6 months calculated from 13 July 2020. Failure to comply with this requirement, even for well justified technical reasons, could lead to the obligation to pay the water contribution to ANAR at the level of the maximum authorised flow.

For the purpose of calculating the water volume used by its hydropower plants to produce electricity, Hidroelectrica SA has been using an indirect calculation method based on the electricity volume produced by each hydro-unit. Hidroelectrica's management considers it is technically unfeasible to install standard water meters as required by the law, given the size and the variety of technical specifications of its power plants.

Following the latest changes approved in December 2020, further amendments to Romanian Water Law are currently debated in Parliament, with a potential impact on the activity of Hidroelectrica SA. On 8 February 2021, the Senate, as first chamber discussing the amendments, approved a change that would allow Hidroelectrica SA to continue to use indirect methods for determining the water volumes, as before July 2020 (i.e. cancelling the effects of the changes in legislation adopted after July 2020). The law then moved to the Chamber of Deputies which was the decisional body. Here it suffered unexpected changes brought by the Agricultural Commission which included a flat-water contribution for hydropower producer of RON 33/ MWh. This would push Hidroelectrica SA production costs in an average hydrological year to around RON 528 million from around RON 350 million based on the system until 2020, leading to a more than 10% increase in Hidroelectrica's overall average production cost. The law is currently reassessed by the same Agricultural Committee in the Chamber of Deputies.

The entire legislative process involves several mandatory steps, and the final wording of the law cannot be predicted.

The changes in legislation are estimated to be effective after the date of publication of this report. The Fund is monitoring the legislative process in Parliament, as well as Hidroelectrica's ongoing discussions with ANAR, in order to be able to assess any potential impact on the company. Considering the current legislative status, we don't expect any changes to occur until this report is published.

Windfall Tax

Please see details regarding the windfall tax in section *Energy Sector update*.

Regulation for amending the FSA Regulation governing the GDRs

The FSA website published on 30 March the draft Regulation for amending the FSA Regulation governing the GDRs to public consultation until 9 April 2022. The amendments to the FSA Regulation governing GDRs were approved by the FSA on 27 April and will enter into force on 10 May 2022, the date when it was published in the Official Gazette.

The draft regulation proposes to reduce the limit on the number of shares subject of an offer for which the GDRs can be issued - “at most 1/10 of the number of shares object of the offer, but not exceeding 1/3 of the total shares issued by the issuing company”. At the same time, the draft regulation proposes the removal of the provisions stating that the FSA may derogate from the provisions which set the limits for which GDRs may be issued and add provisions for delisting the GDRs. A response letter expressing the Fund disagreement to the proposed amendments and the reasons for keeping the existing rules submitted to the FSA on 8 April 2022.

NAV Analysis and portfolio evolution

NAV Methodology and NAV Evolution

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 Register.

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

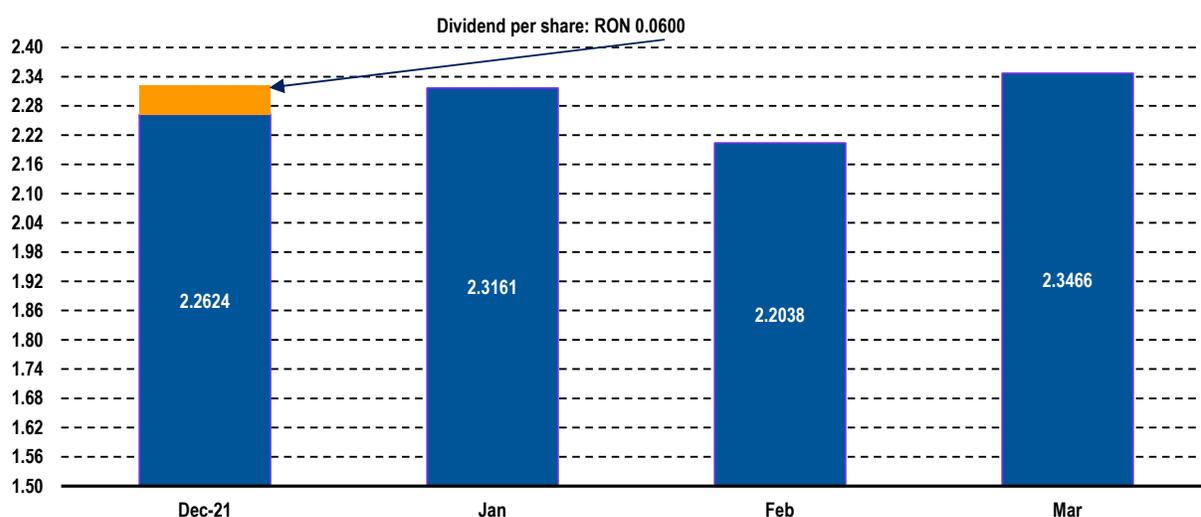
Starting with 28 January 2022, the date when the Fund's registration process as an alternative investment fund with the FSA was finalised, the Fund started to apply the Romanian AIF Law (Law 243/2019) and AIF Regulation (Regulation 7/2020).

Listed securities are valued either at closing market prices if listed on regulated markets, or at reference prices if listed on an ATS. Illiquid and unlisted securities are valued using the fair value determined either by reference to published prices on the stock exchange where shares are traded (listed securities) or assessed 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 per share (RON per share)

The following chart shows information on the monthly published NAVs per share for the period 31 December 2021 to 31 March 2022:



Source: Fondul Proprietatea, based on NAV reports submitted to the FSA, computed for the last working day of the month

During the first quarter of 2022, the NAV per share had an increase of 3.7% compared to the end of the previous year, mainly due to the increase in valuation of the unlisted holding Hidroelectrica SA (impact on the Fund's NAV of RON 1,396.45 million or RON 0.2385 per share), netted off by the dilution in NAV/ share resulted from the Ministry of Finance payment for the unpaid shares during February 2022.

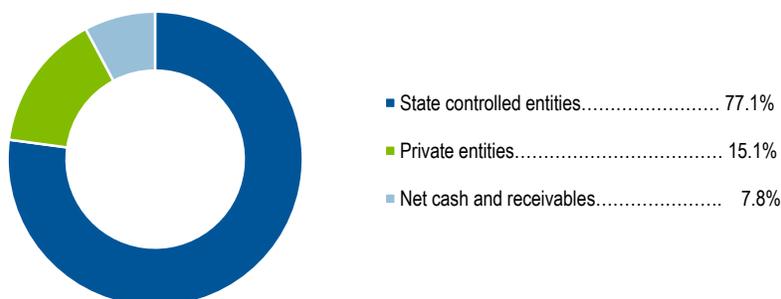
Portfolio company name	Value in 31 Mar 2022 NAV	Value in 31 Jan 2022 NAV	Value in 31 Dec 2021 NAV	31 Mar 2022 NAV vs. 31 Dec 2021 NAV	31 Mar 2022 NAV vs. 31 Dec 2021 NAV%	31 Mar 2022 NAV vs. 31 Jan 2022 NAV	31 Mar 2022 NAV vs. 31 Jan 2022 NAV
	RON million	RON million	RON million	RON million	%	RON million	%
Hidroelectrica SA	9,924.4	9,040.9	8,528.0	1,396.4	16.4%	883.50	9.77%

On 1 February 2022, the Romanian State, represented by the Ministry of Finance paid RON 189,182,422 to the Fund, as payment for all unpaid shares owned by the Romanian State in the Fund (as at 31 December 2021, the Romanian State held 363,812,350 unpaid shares, each share having a nominal value of RON 0.52). Consequently, following this payment, starting with 1 February 2022, the new value of the Fund's subscribed and paid-up share capital is RON 3,334,342,422.84 (divided into 6,412,196,967 shares with a nominal value of RON 0.52/share), so the number of shares used in the calculation of the NAV increased.

Investment Strategy and Portfolio Analysis

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. The equity exposure amounted to 92.2% of the Fund's NAV as at 31 March 2022. As at that date, the portfolio was composed of holdings in 32 companies (6 listed and 26 unlisted), a combination of privately held and state-controlled entities.

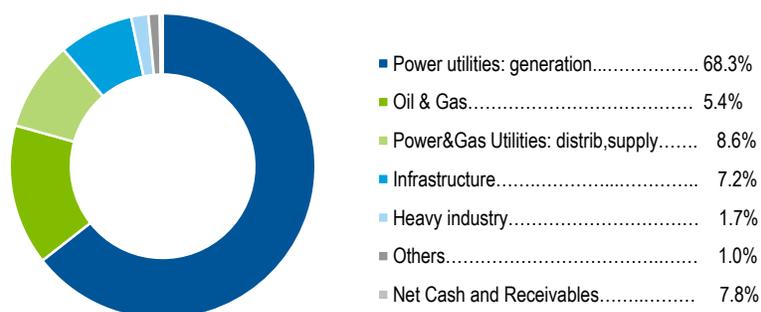
Portfolio Structure – by Controlling Ownership



Source: Fondul Proprietatea, data as at 31 March 2022, % in total NAV

- Net cash and receivables includes bank deposits, current bank accounts, short-term Government securities, dividend receivables, as well as other receivables and assets, net of all liabilities (including liabilities to shareholders related to the returns of capital and dividend distribution) and provisions.

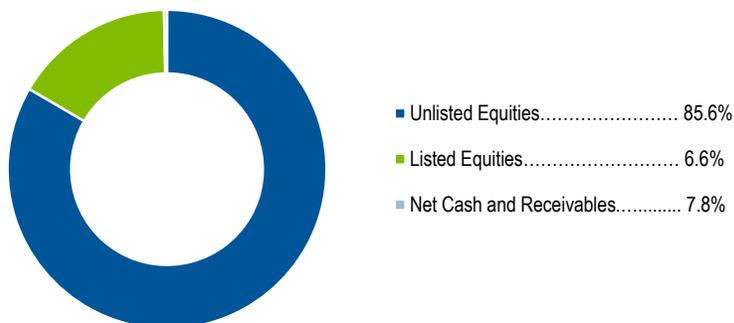
Portfolio Structure – by Sector



Source: Fondul Proprietatea, data as at 31 March 2022, % in total NAV

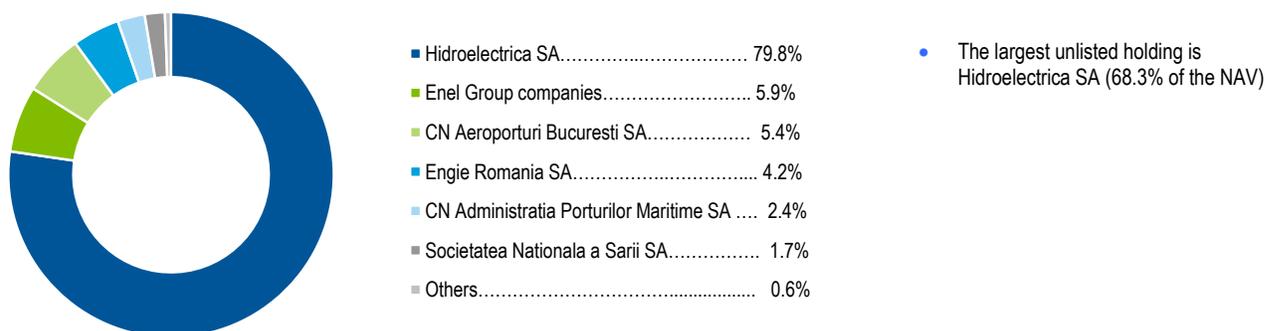
- The portfolio remains heavily weighted in power, oil and gas sectors (approx. 73.7% of the NAV), through several listed and unlisted Romanian companies

Portfolio Structure – by Asset Type



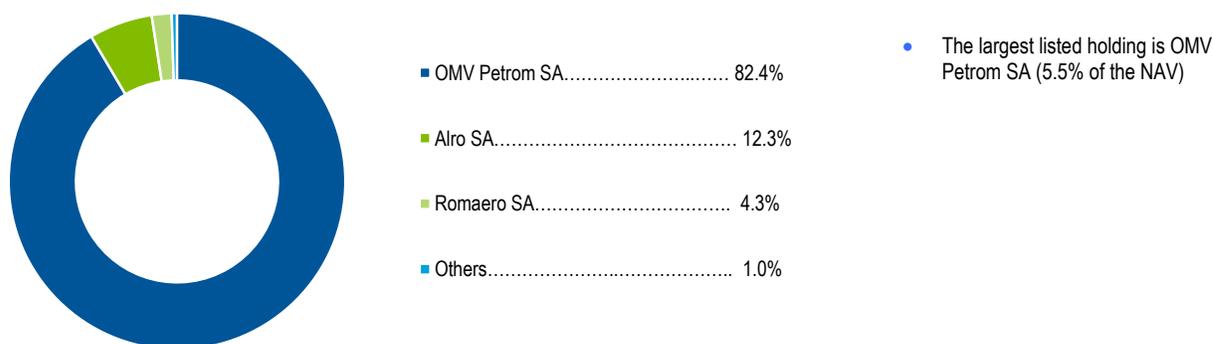
Source: Fondul Proprietatea, data as at 31 March 2022, % in total NAV

Portfolio Structure – Unlisted holdings



Source: Fondul Proprietatea, data as at 31 March 2022; the chart reflects the company NAV value as a % in total NAV value of unlisted holdings

Portfolio Structure – Listed holdings



Source: Fondul Proprietatea, data as at 31 March 2022; the chart reflects the company NAV value as a % in total NAV value of listed holdings

Key portfolio developments

Participation in share capital increases / decreases

On 12 December 2021, the Fund subscribed to the share capital increase of Hidroelectrica SA with a cash contribution of RON 23,970, which was effective on 6 May 2022 at the registration date with the Romanian Trade Register.

Accelerated bookbuild of ordinary shares held in OMV Petrom S.A.

On 20 January 2022 the Fund announced the agreement to sell 2,275,000,000 ordinary shares including a 50 per cent exercise of the upsize option held by the Fund in OMV Petrom S.A., following completion of an accelerated bookbuild offering. The shares' selling price has been agreed at RON 0.43 /share. The gross proceeds of the transaction amount to RON 978,250,000 and will be used to implement the Fund's Discount Control Mechanism, by funding the buyback programme, as approved by the Fund's shareholders, and the payment of potential

dividends to the Fund's shareholders, in the absence of exceptional market conditions or circumstances, and subject to any restrictions under Romanian legal or tax regulations and to shareholders' approval.

Erste Group Bank AG and SSIF Swiss Capital SA acted as Joint Global Coordinators and Joint Bookrunners, and Banca Comercială Română and SA Auerbach Grayson and Company LLC acted as Joint Bookrunners for the transaction.

After settlement, the Fund's remaining participation in Petrom is of 1,688,548,078 shares, representing 2.98 per cent of Petrom's share capital.

Process for share capital increase of CN Aeroporturi Bucuresti

CN Aeroporturi Bucuresti called through the convening notice published in the Official Gazette of Romania Part IV no. 3873/20.09.2021 a General Shareholders Meeting that took place on 25 October 2021 for the approval of a share capital increase with the land inside the Baneasa airport, brought as Romanian state's contribution in kind to the company's capital. The proposed value for the share capital increase was initially RON 3,814,809,171. This is the third time the process to increase the share capital is initiated since 2001, when Baneasa Airport received the land ownership certificates.

On 26 October 2021 (the second call for the shareholders' meeting) the share capital increase was approved with only the Romanian State voting in favour, as follows:

- The share capital increase approved was for RON 4,768,511,460;
- RON 3,814,809,170 represents in kind contribution of Romanian State calculated as the value of the land parcels as evaluated by the valuer appointed by Trade Register;
- The amount of RON 953,702,290 represents the value of shares offered to be subscribed by Fondul Proprietatea for maintaining 20% participation from share capital. The preference rights may be used by the Fund within 60 days calculated starting with date when the shareholders resolution is published in Official Gazette;
- After the 60 days period expires, the share capital will be increased with the value of the paid-up shares (the Romanian State's contribution in kind being already considered to be completed);
- If the Fund will not subscribe, the unsubscribed shares will be cancelled.

Fondul Proprietatea expressed its opinion strongly disputing the fundamentally flawed land valuation report, as the land valuation report carried out in 2021 attributes a very high value to the land, despite a previously approved valuation report from 2017, which had set the value of the same land at RON 269 million.

Fondul Proprietatea started court cases for the annulment of the shareholders resolution, and for the suspension of the entire process until the claim for annulment case is irrevocably closed, to protect the interest of the Fund and its shareholders.

Following the hearing that took place on 13 January 2022, the Bucharest Court of Appeal admitted the request of suspension filed by the Fund and ordered the suspension of the effects of the increase until the claim for the annulment of the CNAB EGSM is irrevocably settled.

Regarding the Fund's request for intervention, following the hearing on 11 February 2022, the Court approved the suspension of this file until the claim for annulment is irrevocably settled.

This is likely to increase the duration of the legal proceedings by more than 1 year and, as such, the capital increase will not take place (under Romanian Law, the term for finalizing such a capital increase is of one year starting with the publication of the GSM decision in the Official Gazette). Consequently, the Fund Manager assessed the dilution risk not to be significant and no adjustment was booked in the valuation for this risk. In addition, the claim for annulment is not expected to be irrevocably settled during 2022. The first hearing for the annulment case was held on 10 March 2022 but it was postponed to 8 September 2022.

Restructuring Plan of Complexul Energetic Oltenia S.A (CE Oltenia) and related roadmap

On 22 October 2021 during the GSM of CE Oltenia, shareholders approved the partial coverage of the accumulated accounting losses registered by CE Oltenia as of 31 December 2020, proportionally by all shareholders of the company. The accounting losses in the amount of RON 1 billion will be covered by reducing the share capital from RON 1,270,318,090 to RON 270,318,090, respectively from 127,031,809 shares to 27,031,809 shares, with a nominal value of RON 10.00 each. The share capital decrease operation is effective starting with 19 January 2022, the registration with the Romanian Trade Register. Following the share capital

decrease operation, the Fund maintains its 21.559% stake holding, but the number of shares decreased from 27,031,809 shares to 5,828,033 shares, with a total nominal value of RON 58,280,330.

On 25 November 2021 during the GSM of CE Oltenia, the majority shareholder voted for the approval to start the operation to increase the share capital of Complexul Energetic Oltenia S.A. with the value of the lands for which property rights certificates were obtained and to request the Trade Register Office for the appointment of one or more experts to evaluate these assets. The plots of land subject to the share capital increase will be used by the company to develop the new investments according to the commitments assumed through the Restructuring Plan.

During January 2022, The European Commission has approved Romania's plans to grant CE Oltenia a restructuring aid for up to EUR 2.66 billion (RON 13.15 billion). The measure will enable the company to finance its Restructuring Plan and restore its long-term viability.

The implementation of the Restructuring Plan will lead to the need to operate 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). Implementation of the plan will also lead to a symmetrical spin-off of Craiova II Power Plant Branch from CE Oltenia, process that CE Oltenia management currently estimates to be completed as of 30 June 2022.

Considering its current investment strategy, Fondul Proprietatea does not intend to participate in these capital increases.

Presumably, as a result of the capital increases, the participation of Fondul Proprietatea in CE Oltenia will be diluted at around 5% according to Fondul's current estimates.

In order to carry out the share capital increase with the value of the lands that will be contributed by CE Oltenia in the new investments, a change in the current legislation would be needed so that the evaluations of all the lands with which the capital increase would be carried out can be realized at fair value.

CN Administratia Porturilor Maritime

On 9 February 2022 during the GSM of CN Administratia Porturilor Maritime, the majority shareholder approved the increase of share capital from RON 132,906,430 to RON 323,311,340, respectively with the amount of RON 190,404,910, through incorporation of part of reserves. The Fund maintained its stake holding, as new shares issued were distributed proportionally to existing shareholders. As at the date of issuing this report, the Fund held 6,466,226 shares representing 20% of the company's share capital. However, the Fund decided to challenge in Court the validity of the GSM which approved the share capital increase, and the case is ongoing.

Hidroelectrica listing

On 31 March 2022, the general shareholders meeting of Hidroelectrica S.A. approved the initiation of the listing of the company's shares on the BVB following a public offering of the company's shares held by the Fund.

The approval is a positive development as it allows the Fund to explore, together with the advisors to be appointed in this process, a wider array of options with regards to a potential realization of all or part of its holding in the company.

Salrom Listing

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

Based on a competitive selection process, the Fund selected BRD – Groupe Société Générale as Investment Bank to coordinate the transaction.

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

OMV Petrom share capital increase

During 27 April 2022 EGM the shareholders approved the initiation of the share capital increase of OMV Petrom by in kind contribution of the Romania State, as a result of obtaining a number of 1,944 land ownership certificates. Darian DRS SA was also approved as independent expert valuator to evaluate the land plots for the in kind contribution.

Fondul will continue to monitor the share capital increase process as it progresses and will decide to participate or not by taking into consideration the best interest of our shareholders.

Energy Sector Updates

Updates on the regulatory requirements in the energy sector

Windfall tax

EGO no. 27/18.03.2022 extends the timeline for windfall tax (80% of the monthly additional revenues) until 31 March 2023.

The monthly additional revenues are determined based on the average realized price above RON 450 / MWh multiplied by the volume of electricity sold. In the computation of the average price, certain expenses are subtracted from revenues (e.g., costs with electricity purchased in the market, costs with carbon allowances, grid access costs, financing costs).

Electricity delivered to grid operator and power distributors with the aim of covering grid losses are excluded in setting the average realized price or delivered volumes.

According to article 14, paragraph (6), state-owned power producers are required to provide electricity at demand to the grid operator (Transelectrica)/power distribution operators within 5 days (in full or partially), while the agreements could conclude either via bilateral contracts or through centralized platforms.

The updated windfall tax methodology applies retroactively on the windfall tax due to be paid under Law 259 / 2021's provisions.

Energy suppliers

End consumer energy prices are capped until 31 March 2023, as follows:

Electricity supply	Invoice price (VAT included)
Households (consumption less 100KWh per month)	0.68 RON / KWh
Households (consumption less than 300KWh/ month)	0.8 RON / KWh
Non-households (excluding energy intensive users)	1.0 RON / KWh

Gas supply	Invoice price (VAT included)
Households	0.31 RON / KWh
Non - households (consumption of 50 GWh/annum or heating producers)	0.37 RON / KWh

Supply component is capped at RON 73 / MWh for power and RON 12 / MWh for natural gas respectively, with the component 10% higher for suppliers of last resort.

For non-households with monthly electricity consumption exceeding 300 KWh threshold, the new provisions limit the supply component to RON 73 / MWh.

According to the Ordinance, suppliers would be reimbursed from the State's Budget and settlement of the subsidies paid by the State for the cold season will begin after 31 March 2022.

Regulated domestic wholesale gas price for natural gas producers

Natural gas producers are required to sell gas to suppliers to cover household consumption, at RON 150 / MWh, and at RON 250 / MWh to cover consumption of heating producers until 31 March 2023. Natural gas producers are exempted from the payment of the windfall tax. Additionally, the reference price for royalties mentioned in the ordinance applies for quantities covering household consumption.

Natural gas producers are required to provide natural gas at demand to the transport operator (Transgaz) / natural gas distribution operators within 5 days (in full or partially).

Regulated transport and distribution tariffs

Grid losses generated by the increase of power prices above the previous threshold set by the National Authority for Energy Regulations (ANRE) in 2021 will be corrected through the new distribution tariffs, according to the methodology.

The additional costs with grid losses recorded until 31 March 2023 will be recovered through tariffs over a period of up to 5 years.

Additional financial costs generated with the loans contracted to finance the purchase of electricity / gas for grid losses will be capitalized for a period of up to 5 years and recognized in the regulated tariffs at a new regulated rate of return (RRR) equal to 50% of RRR established for the 4th regulatory period.

EGO no. 42/2022 for amending and supplementing the Government Emergency Ordinance no. 27/2022 on measures applicable to end customers in the electricity and natural gas market during the period 1 April 2022 - 31 March 2023, as well as for amending and supplementing certain regulatory acts in the field of energy was published in the Official Gazette and entered into force on 11 April 2022. The new legislation provides further clarifications of deadlines and requirements for energy market participants and also adds new model annexes to the settlement procedure provided by the applicable legal provisions.

Distribution tariffs

According to the ANRE orders, the specific **electricity distribution tariffs** for the companies in the Fund's portfolio operating in power distribution sector, applicable starting with 1 April 2022, compared to those applicable starting 1 January 2022 and 1 January 2021, are the following:

Company	Voltage level	Tariffs applicable starting 1 Jan 2021	Tariffs applicable starting 1 Jan 2022	Tariffs applicable starting 1 April 2022	change (%)	
		(RON/MWh)	(RON/MWh)	(RON/MWh)	(2)/(1)-1	(3)/(2)-1
		(1)	(2)	(3)		
E-Distributie Banat	High Voltage	15.51	15.98	17.90	3.03%	12.02%
	Medium Voltage	38.27	43.05	51.01	12.49%	18.49%
	Low Voltage	107.81	117.71	147.89	9.18%	25.64%
E-Distributie Dobrogea	High Voltage	20.17	21.00	26.36	4.12%	25.52%
	Medium Voltage	42.80	48.01	59.71	12.17%	24.37%
	Low Voltage	135.17	141.99	173.28	5.05%	22.04%
E-Distributie Muntenia	High Voltage	10.41	11.37	12.56	9.22%	10.47%
	Medium Voltage	34.55	39.43	45.71	14.12%	15.93%
	Low Voltage	112.22	119.07	143.96	6.10%	20.90%

Source: ANRE Orders no. 217/09.12.2020, 218/09.12.2020, 219/09.12.2020, 121/25.11.2021, 122/25.11.2021, 123/25.11.2021, 30/23.03.2022, 31/23.03.2022 and 32/23.03.2022

The **gas distribution tariffs** for one company in Fondul Proprietatea's portfolio (Engie subsidiary, operating in the gas distribution sector) were approved by ANRE in March 2022, as follows:

Company	Annual consumption (MWh)	Tariffs applicable starting 1 Jul 2021	Tariffs applicable starting 1 April 2022	change (%)
		(RON/MWh)	(RON/MWh)	(2)/(1)-1
		(1)	(2)	
Distrigaz Sud Retelele	between 0-280	30.13	32.32	7.3%
	between 280-2,800	28.38	30.44	7.3%
	between 2,800-28,000	27.05	29.02	7.3%
	between 28,000-280,000	20.87	22.39	7.3%
	higher than 280,000	10.53	11.30	7.3%
	clients benefitting from proximity distribution tariff	5.00	5.36	7.2%

Source: ANRE Orders no. 44/15.06.2021, no. 39/29.03.2022

Other regulations

According to ANRE's Order no. 1/ 20 January 2021 and Order no. 3/ 20 January 2021, effective starting with 1 February 2021, the regulator allows, until the 4th regulatory period ends (2019 - 2023), for electricity and gas distribution companies the following:

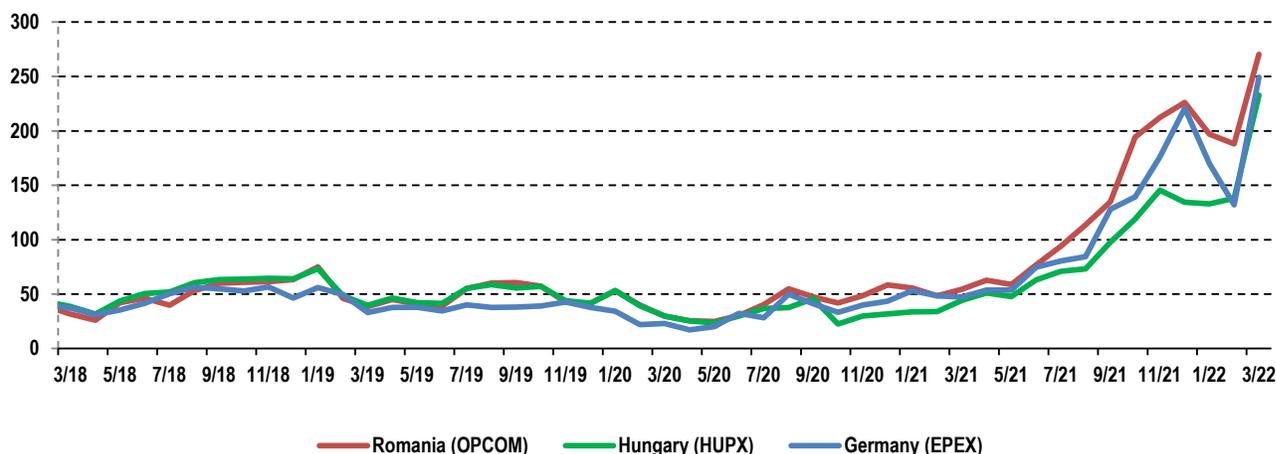
- to add 1% incentive above the current level of RRR for newly employed assets;
- to add an incentive of 2% to the current level of RRR for investments fully or partially financed through EU grants.

Latest market developments

As per currently available information from the grid operator, national electricity consumption was 4% lower compared to the same quarter of 2021, while national electricity production decreased by 7%, Romania remaining a net power importer in Q1 2022, same as in Q1 2021.

As per OMV Petrom's estimates, national gas consumption was down by 11% compared to Q1 2021 on reduced end-users consumption. On the Romanian centralized markets, the weighted average price of natural gas for transactions with medium and long-term standardized products closed in Q1 2022 (9.4 TWh) was RON 469 / MWh (Q1 2021: RON 89 / MWh for standard products traded). Regarding short-term deliveries, on BRM day-ahead market, the average price in Q1 2022 was RON 485 / MWh (Q1 2021: RON 87 / MWh).

Electricity prices (EUR/ MWh)



Source: Bloomberg

Energy resources (thousand tonnes barrels of oil equivalent)

	January – March 2022			January – March 2021			% change		
	Total	Production	Import	Total	Production	Import	Total	Production	Import
Net coal	857.4	696	161.4	769.4	690.0	79.4	11.4%	0.9%	103.3%
Crude oil	2356.9	732.7	1624.2	2,850.5	773.1	2,077.4	-17.3%	-5.2%	-21.8%
Usable natural gas	2505.6	1791.3	714.3	2,594.9	1,904.00	690.9	-3.4%	-5.9%	3.4%
Hidro. nuclear. and import energy	1458.6	1276	182.6	1,456.0	1,294.60	161.4	0.2%	-1.4%	13.1%
Import oil products	818.7	-	818.7	538.6	-	538.6	52.0%	0.0%	52.0%
Others	138.9	-	138.8	152.2	-	152.1	-8.7%	0.0%	-8.7%
Total resources	8,136.1	4,496.0	3,640.0	8,361.6	4,661.70	3,699.8	-2.7%	-3.6%	-1.6%

Source: National Institute of Statistics webpage

Update on the Largest 10 Portfolio Holdings

Top 10 equity investments

No	Name	Fund's stake (%)	Value as at 31 March 2022 ¹ (RON million)	% of NAV as at 31 March 2022 ¹
1	Hidroelectrica SA	19.94%	9,924.4	68.3%
2	OMV Petrom SA	2.98%	793.6	5.5%
3	CN Aeroporturi Bucuresti SA	20.00%	674.2	4.6%
4	Engie Romania SA	12.00%	522.7	3.6%
5	CN Administratia Porturilor Maritime SA	20.00%	294.4	2.0%
6	E-Distributie Banat SA	24.13%	245.1	1.7%
7	Societatea Nationala a Sarii SA	49.00%	216.7	1.5%
8	E-Distributie Muntenia SA	12.00%	206.7	1.4%
9	E-Distributie Dobrogea SA	24.09%	184.0	1.3%
10	Alro SA	10.21%	118.1	0.8%
Top 10 equity holdings			13,179.9	90.7%
Total equity holdings			13,398.9	92.2%
Net cash and receivables			1,137.0	7.8%
Total NAV			14,535.9	100.0%

Source: Fondul Proprietatea, based on NAV reports submitted to FSA

¹Rounded to one decimal

Hidroelectrica SA

RON million	2020	2021	3M 2021	3M 2022
Revenues	3,850.4	6,501.3	1,418.1	2,349.4
Operating profit	1,673.4	3,478.0	888.5	1,493.7
Net profit	1,451.6	3,019.5	759.5	1,292.1
Dividends*	1,286.4	2,830.9	-	-

Source: Individual IFRS financial statements

*Do not include the special dividends declared by the company

March: Shareholders approved the initiation of the listing of the Company's shares on the Bucharest Stock Exchange following a secondary public offering of the company shares held by the Fund.

April: According to audited financial statements, Hidroelectrica registered on an unconsolidated basis, total revenues of RON 6,501.3 million, up 68.8% y.o.y, an EBITDA of RON 4,669.0 million up 72.2% y.o.y, an operating profit of RON 3,478.0 million, up 107.8% y.o.y. and a net profit of RON 3,019.5 million, up 108.0% y.o.y. During the period, total electricity sold by Hidroelectrica reached 17.11 TWh, up 7.2% y.o.y. out of which the electricity sold out of own production reached 16.51TWh, up 13.2% y.o.y. The average realized electricity selling price was RON 339.2 / MWh, up 58.6% y.o.y. On a consolidated basis, the company registered total revenues of RON 6,489.3 million, up 68.9% y.o.y. and a net profit of RON 3,085.6 million, up 113.8% y.o.y.

April: Shareholders approved the distribution of RON 2.83 billion as dividend out of the 2021 net profit and RON 1.00 billion as special dividend out of retained earnings. The deadline for the payment by Hidroelectrica SA to shareholders of the annual dividend is 27 June 2022, while the deadline for the payment of the special dividend is 30 September 2022.

April: Shareholders approved the merger project for the absorption by Hidroelectrica of its fully owned subsidiaries Crucea Wind Farm S.A. and Hidroelectrica Wind Services. Crucea Wind Farm is the entity that owns Crucea Wind park located in Constanta county, Romania, which has an installed capacity of 108 MW. Hidroelectrica Wind Services is an operations and maintenance entity, providing its services exclusively to Crucea Wind Farm.

April: Following a court case initiated by one natural person in 2020, the Bucharest Tribunal annulled the recruitment procedure and the selection process that was carried out by the company over 10 April 2019 – 4 June 2019 period for the selection of the 5 members of the Directorate of Hidroelectrica. According to the decision, the

company is obliged to issue a new decision for a new recruitment process. The decision is not final and can be appealed by the company, which the company publicly announced it would do.

May: According to management, during the first three months of the year, the company registered a turnover of RON 2,349.4 million, up 65.7% y.o.y, an EBITDA of RON 1,628.0 million, up 51.8% y.o.y, an operating profit of RON 1,493.7 million, up 68.1% y.o.y and a net profit of RON 1,292.1 million, up 70.1% y.o.y. Over the period, Hidroelectrica SA paid a windfall tax of RON 339.3 million. During the period, total electricity sold by Hidroelectrica SA reached 3.35 TWh, down 29.3% y.o.y. out of which the electricity sold out of own production reached 3.20TWh, down 30.0% y.o.y. The average realized electricity selling price was RON 655.4 / MWh, up 134.3% y.o.y. At the end of March 2022, the company's cash and equivalents positions stood at RON 4.85 billion.

ESG

According to management, for year 2021 Hidroelectrica is aiming to publish by 30 June 2022 its first separate Sustainability Report prepared in accordance with Global Reporting Initiative (GRI) Standards. Also, in line with best practices, the company is also in the process of reviewing its sustainability strategy and objectives in its focus areas in the context of its over-all business and development strategy. Up until now, Hidroelectrica has been publishing its non-financial statement as part of its annual report in line with the requirements of EU Directive 2014/95/UE and Ministry of Finance Order no. 1938/ 2016 and 2844/ 2016.

OMV Petrom SA

RON million	2020	2021	Q1 2021	Q1 2022	Budget 2020	Budget 2021
Sales	19,717.0	26,011.1	8,965.3	11,898.1	18,088.0	15,875.0
Operating profit	1,467.1	3,708.9	1,493.1	2,185.4	3,453.0	2,133.0
Net profit	1,291.0	2,864.4	1,188.4	1,748.3	2,815.0	1,824.0
Dividends*	1,756.0	1,932.0	-	-	-	-

Source: Consolidated IFRS financial statements/ Budgeted figures based on company's budgets as approved by shareholders

*Based on separate IFRS financial statements (2020 includes special dividends)

February: Full year 2021 net income attributable to stockholders of the parent was RON 2,864 million vs RO1,291 million in 2020. The Executive Board proposed a 2021 dividend per share of RON 0.034, up by 10% compared to last year, and on the upper limit of the yearly increase in dividend payments guided in the latest long-term strategy.

April: Shareholders approved dividend proposal, and also the initiation of the share capital increase process with the value of plots of land brought by the Romanian State as an in-kind contribution.

Consolidated sales revenues increased by 45% y.o.y. in Q1 2022, mainly supported by higher commodity prices and higher sales volumes of petroleum products and electricity. The Clean CCS Operating Result of RON 2,241 million in Q1 2022 was significantly higher than RON 653 million in Q1 2021, due to much higher contribution of all business segments mainly following the increase in prices in Exploration and Production segment, strong margins on gas from storage and third-party transaction in the Gas and Power segment and significantly higher refining margins in the Refining and Marketing segment.

ESG

OMV Petrom publishes yearly sustainability reports since 2011. It has also published its long-term strategy in December 2021, with the goal of achieving net-zero carbon emissions in 2050 (see annual report regarding sustainability: <https://www.omvpetrom.com/ro/sustenabilitate/rapoarte-de-sustenabilitate>).

Outlook for full year 2022

The 2022 budget of the company was prepared based on the following main assumptions:

- Average Brent oil price of USD 65/bbl;
- Refining margins to be around USD 6/bbl;
- Gas price expected to be above the level of 2021.

Management published a revised FY 2022 guidance for oil prices at USD 95/bbl (from USD 75/bbl in February). Refining margins are expected to be significantly above USD 5.5/bbl in 2021. Capex expectations for this year were maintained at RON 4.0 billion. Decline in production is seen at 7% y.o.y., in line with previous guidance.

CN Aeroporturi Bucuresti SA

RON million	2020	2021*	Budget 2021	Budget 2022**
Operating revenue	405.6	578.0	538.6	750.1
Operating profit / (loss)	(175.3)	40.8	1.7	59.3
Net profit / (loss)	(146.4)	34.0	0.2	56.5
Dividends	-	-	-	-

Source: Individual IFRS financial statements/ Budgeted figures based on company's budgets as approved by shareholders

*Preliminary results reported in 2022 Budget proposal

** subject to shareholders' approval

February: Company published preliminary 2021 results together with 2022 budget proposal. Net profit was RON 42.8 million, but we reckon that the figure does not include end-of-year adjustments, such as provisioning. Financial Year 2021 traffic was 6.9 million passengers, in line with the approved budget, and down by 53% vs pre-covid levels. Management expects traffic to go up by 40% y.o.y in 2022, to 9.7 million passengers, and thus envisages a net profit of RON 56.5 million.

May: Annual GSM was called to approve final 2021 financial statements. The final net profit is slightly down vs preliminary figure to RON 34 million, mainly due to the impact of the corporate tax.

ESG

CN Aeroporturi Bucuresti SA does not publish sustainability reports.

Engie Romania SA

RON million	2020	2021**	Budget 2021	Budget 2022**
Turnover	6,228.9	6,683.5	6,116.8	10,268.8
Operating profit	557.4	85.9	351.8	(150.6)
Net profit	492.8	69.9	315.9	(127.8)
Dividends*	149.5	-	-	-

Source: Consolidated IFRS financial statements/ Budgeted figures based on company's budgets as approved by shareholders, on a consolidated basis

*Dividends are based on the separate financial statements

** Pending shareholders' approval

March: Ministry of Energy replaced one of its appointed board members. Mrs Postica Diana was replaced by Mr Ionut Stelian Micu for the remaining period of the mandate, respectively until 31 May 2025.

The gas distribution tariffs for Engie's subsidiary, operating in the gas distribution sector were increased by ANRE on average by 7.3% compared to the level previously set by the energy authority.

May: According to the audited financial statements, in 2021 the company reported a turnover of RON 6,683.5 million, up 7% y.o.y and a net profit of RON 69.9 million, down 7x versus previous year. Company budgeted for 2022 an increase of revenues by 54% y.o.y and a net loss of RON 127.8 million.

ESG

Engie Romania SA published its first sustainability report on July 2021, in accordance with Global Reporting Initiative, while Engie Group reports frequently on ESG issues and has a sustainability plan at parent company level (see annual report regarding sustainability: <https://www.engieimpact.com/our-sustainability-strategy>).

CN Administratia Porturilor Maritime SA

RON million	2020	2021*	Budget 2021	Budget 2022
Operating revenue	398.8	418.9	411.8	489.2
Operating profit	145.9	140.6	77.7	84.2
Net profit	130.3	130.5	78.3	88.2
Dividends	33.5	31.9	21.2	23.8

Source: Financial statements in accordance with applicable Romanian accounting regulations/ Budgeted figures based on company's budgets as approved by shareholders

* subject to shareholders' approval

February: Preliminary 2021 results point to a net profit of RON 109 million, down by 16% y.o.y., as operating costs are estimated to have jumped by 24% y.o.y.. Traffic reached an all-time high of 67,5 million tons of merchandise. We reckon that significant changes might be recorded in final 2021 financial results due to end-of-year adjustments, such as provisioning.

May: Annual GSM was called to approve final 2021 financial statements. Net profit was RON 130.5 million last year, and the management proposes a total dividend of RON 31.9 million, out of which RON 6.4 million could be paid to Fondul.

ESG

CN Administratia Porturilor Maritime SA does not publish sustainability reports.

Exposure to geopolitical events

As the war in Ukraine broke out in late February, naval shipments to the neighbouring country were practically blocked. According to public statements, some of the traffic of containers due for Ukrainian ports was redirected to Constanta Port. There are also some volumes of agricultural products redirected to Constanta, but these volumes were rather marginal until now. It remains to be seen what could be the medium to long-term impact of this conflict on Constanta Port.

E-Distributie Banat SA

RON million	2020	2021	Budget 2020	Budget 2021
Operating revenue	556.8	593.5	565.1	546.5
Operating profit before depreciation and amortization (EBITDA)	151.7	58.2	150.7	163.4
Net profit / (Loss)	38.6	(33.3)	(5.9)	36.0
Dividends	77.3*	-	-	-

Source: Financial statements in accordance with applicable Romanian accounting regulations/ Budgeted figures based on company's budgets as approved by shareholders. For 2022, the company did not submit to shareholders for approval 2022 budget up to this date

EBITDA computed as operating profit plus depreciation/amortization and adjusted for revenues/expenses from revaluation of tangible assets, provisions, impairment of tangible assets and subsidies

*as of GSM resolution from 12 May 2021, of which RON 62 million represents special dividends

November 2021: ANRE published the regulated tariffs applicable starting with 1 January 2022. On average, the tariffs were increased by 7.9% (for more details on tariffs please see section *Energy Sector Updates*).

December 2021: The company informed shareholders that it could incur a potential negative impact of approx. EUR 16.2 million from covering network losses in 2021, as a result of rising prices on wholesale energy market.

March: ANRE published the regulated tariffs applicable starting with 1 April 2022. On average, the tariffs were increased by 21.7% (for more details on tariffs please see section *Energy Sector Updates*).

April: Enel S.p.A. published 2021 preliminary financial results for the global group on 17 March 2022. For Romania, the Group reported:

- EUR 88 million for the infrastructure and networks' segment (distribution), 34.8% lower compared to 2020;
- EUR 43 million for the retail segment (supply), from EUR 82 million in 2020;
- During 2021, the quantity of electricity distributed by Enel's subsidiaries grew by 3.9% y.o.y at 16.0 TWh, reaching 3 million end users in Romania, flat compared to 2020 level.

April: E-Distributie Banat SA reported higher operating revenues (+6.6% y.o.y.) and EBITDA of RON 58.2 million in 2021, 61.6% y.o.y. lower compared to 2020, especially due to increase in expenses with electricity acquisition for covering own technological consumption.

ESG

Enel's subsidiaries in Romania publish sustainability reports since 2019, while Enel Spa reports frequently on ESG issues and has a sustainability plan at parent company level. (see annual report regarding sustainability: <https://www.enel.com/investors/sustainability>).

Societatea Nationala a Sarii SA (Salrom)

RON million	2020	2021*	Budget 2021	Budget 2022
Operating revenue	300.2	374.5	345.1	425.8
Operating profit	15.8	70.1	27.4	74.2
Net profit	11.5	60.2	24.8	66.2
Dividends	11.5	59.9	-	-

* Pending shareholders' approval

Source: IFRS financial statements/ Budgeted figures based on company's budgets as approved by shareholders

January: The majority shareholder replaced 3 Board members appointing Mr Constantin Dan Dobrea, Mr Cristi Sandu and Mr Nicolae Cimpeanu as temporary board members. Fondul Proprietatea proposed and appointed Ms Simona Ochian and Mr Valeriu Ionita. The mandates entered into force on 2 February 2022 for a period of 4 months.

February: Mr Constantin Dan Dobrea replaced Mr Emil Militaru as interim General Manager, while retaining his interim Board mandate.

March: Shareholders approved launching the selection process for Board Members based on GEO no. 109/2011.

April: Company's approved 2022 Budget foresees total operating revenues of RON 425.8 million and a budgeted net profit of RON 66.2 million.

May: According to the audited financial statements, in 2021 the company reported operating revenues of RON 374.5 million, up 25% y.o.y and a net profit of RON 60.2 million, up 5x versus previous year.

ESG

Societatea Nationala a Sarii reports on environmental and social responsibility issues in its non-financial annual report, in accordance with GRI Standards. Source: <https://www.salrom.ro/doc/public/Raport%20non-financiar%20SNS%202020-gdpr.pdf>.

E-Distributie Muntenia SA

RON million	2020	2021	Budget 2020	Budget 2021
Operating revenue	968.2	1,038.7	989.3	939.4
Operating profit before depreciation and amortization (EBITDA)	250.9	168.1	305.7	328.7
Net profit	111.8	55.8	106.9	115.9
Dividends	167.7*	-	-	-

Source: Financial statements in accordance with applicable Romanian accounting regulations/ Budgeted figures based on company's budgets as approved by shareholders. Up to this date, for 2022, the company did not submit to shareholders for approval the 2022 budget.

EBITDA computed as operating profit plus depreciation/amortization and adjusted for revenues/expenses from revaluation of tangible assets, provision impairment of tangible assets and subsidies

* as of GSM resolution from 12 May 2021, of which RON 71.7 million represents special dividends.

November 2021: ANRE published the regulated tariffs applicable starting with 1 January 2022. On average, the tariffs were increased by 7.9% (for more details on tariffs please see section *Energy Sector Updates*).

December 2021: In December, company informed shareholders that it could incur a potential negative impact of approx. EUR 32.1 million from covering network losses in 2021, as a result of rising prices on wholesale energy market.

March: ANRE published the regulated tariffs applicable starting with 1 April 2022. On average, the tariffs were increased by 21.7% (for more details on tariffs please see section *Energy Sector Updates*).

April: Enel S.p.A. published 2021 preliminary financial results for the global group on 17 March 2022. For Romania, the Group reported:

- EUR 88 million for the infrastructure and networks' segment (distribution), 34.8% lower compared to 2020;
- EUR 43 million for the retail segment (supply), from EUR 82 million in 2020;
- During 2021, the quantity of electricity distributed by Enel's subsidiaries grew by 3.9% y.o.y at 16.0 TWh, reaching 3 million end users in Romania, flat compared to 2020 level.

April: E-Distributie Muntenia SA reported 33.0% y.o.y lower EBITDA in 2021 at RON 168.1 million, despite higher operating revenues (+7.3% y.o.y.), on the back of increase in expenses with electricity acquisition for covering own technological consumption.

ESG

Enel's subsidiaries in Romania publish sustainability reports since 2019, while Enel Spa reports frequently on ESG issues and has a sustainability plan at parent company level (see annual report regarding sustainability: <https://www.enel.com/investors/sustainability>).

E-Distributie Dobrogea SA

RON million	2020	2021	Budget 2020	Budget 2021
Operating revenue	530.1	554.8	528.6	525.8
Operating profit before depreciation and amortization (EBITDA)	166.2	86.9	164.1	183.1
Net profit	53.7	11.5	4.0	58.4
Dividends	-	-	-	-

Source: Financial statements in accordance with applicable Romanian accounting regulations/ Budgeted figures based on company's budgets as approved by shareholders. Up to this date, for 2022, the company did not submit to shareholders for approval the 2022 budget.

EBITDA computed as operating profit plus depreciation/amortization and adjusted for revenues/expenses from revaluation of tangible assets, provisions, impairment of tangible assets and subsidies

November 2021: ANRE published the regulated tariffs applicable starting with 1 January 2022. On average, the tariffs were increased by 7.9% (for more details on tariffs please see section *Energy Sector Updates*).

December 2021: The company informed shareholders that it could incur a potential negative impact on the financial result of approx. EUR 16.3 million from covering network losses in 2021, as a result of rising prices on wholesale energy market.

March: ANRE published the regulated tariffs applicable starting with April 2022. On average, the tariffs were increased by 21.7% (for more details on tariffs please see section *Energy Sector Updates*).

April: Enel S.p.A. published 2021 preliminary financial results for the global group on 17 March 2022. For Romania, the Group reported:

- EUR 88 million for the infrastructure and networks' segment (distribution), 34.8% lower compared to 2020;
- EUR 43 million for the retail segment (supply), from EUR 82 million in 2020;
- During 2021, the quantity of electricity distributed by Enel's subsidiaries grew by 3.9% y.o.y at 16.0 TWh, reaching 3 million end users in Romania, flat compared to 2020 level.

April: E-Distributie Dobrogea reported for 2021 4.7% y.o.y. increase in operating revenues at RON 554.8 million and EBITDA of RON 86.9 million (-47.7% y.o.y.).

May: Mr Popescu Alexandru's mandate as board member expired and shareholders voted him for a new mandate. Mrs Valerica Draniceanu's mandate as board member expired and Mr Ion Gabriel Grozavu was appointed by shareholders as a new board member. Both appointments were based on SAPE's recommendation.

ESG

Enel's subsidiaries in Romania publish sustainability reports since 2019, while Enel Spa reports frequently on ESG issues and has a sustainability plan at parent company level (see annual report regarding sustainability <https://www.alro.ro/en/sustainability-reports>).

Alro SA

RON million	2020	2021	Budget 2021*	Budget 2021**
Operating revenue	2,514.7	3,499.9	2,766.7	4,046.3
Operating profit	399.5	228.1	357.8	152.7
Net profit/ (loss)	334.8	26.3	287.1	22.5
Dividends	-	-	-	-

Source: Consolidated IFRS financial statements/ Budgeted figures based on company's budgets as approved by shareholders

* GSM resolution from April 29, 2021, values computed using the NBR USD/RON FX rate as at 31 December 2021

** subject to shareholders' approval based on GSM convened on 28/29 April 2022, values computed using the NBR USD/RON FX rate as at 31 March 2022

March: Alro published 2021 consolidated financial results, as follows: operating revenues amounting to RON 3,499.9 million (+39.2% y.o.y.), especially supported by 45.2% y.o.y. surge in LME aluminium average price at USD 2,477.0 per tonne. EBIT stood at RON 228.1 million (-42.9% y.o.y.), as Alro Group did not recognize revenues from subsidies related to the indirect emissions in 2021. The company reported a net profit of RON 26.3 million in 2021, growth limited by the net financial loss of RON -170.7 million registered in 2021, compared to the net financial result of RON -33.3 million in 2020.

ESG

Alro adopted corporate governance rules as part of its ongoing efforts to fully comply with local recommendations since 2007 and abides to Bucharest Stock Exchange Corporate Governance Code since August 2016. Alro reports annually on ESG issues through its sustainability reports and has a 5-year sustainability strategy.

Financial Statements Analysis

The unaudited IFRS financial statements for the three months ended 31 March 2022, prepared in accordance with IAS 34 Interim Financial Reporting and applying the FSA Norm no. 39/2015 with subsequent amendments, are included in full in Annex 1 to this Report. The captions Statement of Financial Position and Statement of Comprehensive Income presented in the quarterly report may differ from the ones included in the IFRS financial statements due to other regulatory requirements.

This section provides an overview of the Fund's financial position and performance for the three months ended 31 March 2022. The analysis presents the main developments during the three-month period ended 31 March 2021, for more details regarding the comparative amounts from previous period, please see the corresponding section in *Annex 1 IFRS Financial Statements*.

Statement of Financial Position

RON million	31 Mar 2022	31 Dec 2021	31 Mar 2022 vs. 31 Dec 2021 (%)
	Unaudited	Audited	
Cash and current accounts	87.7	68.2	
Deposits with banks	636.2	347.4	
Treasury bills	93.4	-	
Government bonds	228.3	77.1	
Equity investments	13,398.9	12,577.7	
Non-current assets held for sale	-	1,135.2	
Other assets	207.1	0.3	
Total assets	14,651.6	14,205.9	3.1%
Payables	26.5	38.8	
Other liabilities	89.2	409.6	
Total liabilities	115.7	448.4	-74.2%
Total equity	14,535.9	13,757.5	5.7%
Total liabilities and equity	14,651.6	14,205.9	3.1%

Source: IFRS financial statements

Overview

The cash and cash equivalents (liquid assets) of the Fund in 2022, included term deposits with banks, treasury bills and government bonds issued by the Romanian Ministry of Finance. All instruments are denominated in RON and have maturities of up to one year.

The high increase in liquid assets at 31 March 2022 compared with 31 December 2021 are due to the cash inflows from the partial disposal of the Fund's holding in OMV Petrom SA (RON 978.3 million) and from the Ministry of Finance on 1 February 2022, as payment of the unpaid shares held by the Romanian State in Fondul Proprietatea (RON 189.2 million), net of by the cash outflow related to the dividend distribution paid to shareholders in February 2022 (RON 320.6 million).

Other liabilities decreased by 78.2% compared with 31 December 2021 following payments performed for the third special dividend distributions approved on 15 December 2021 with payment date on 18 February 2022.

As at 31 December 2021, the Fund reclassified, in accordance with IFRS 5 requirements, part of the holding in OMV Petrom SA subject to a bookbuild offering (2,275 million shares), as non-current assets held-for-sale.

The net increase on equity investments of RON 821.2 million during the first 3 months of 2022 was principally due to the increase in the value of unlisted holdings by RON 883.5 million following Hidroelectrica SA valuation update process during the quarter, net of by the negative share price evolution of OMV Petrom SA (only for the holding classified as equity investments), with a total impact of RON 49.0 million, share price decrease of -5.8%.

Equity investments

Classification and measurement of equity investments

Starting 1 January 2014, Fondul Proprietatea applies the Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities, the Fund being an investment entity. As a result, the Fund classifies and measures its investments in subsidiaries and associates as financial assets at fair value through profit or loss.

Starting 1 January 2018, the Fund adopted IFRS 9 and classified all its equity investments as equity investments at fair value through profit or loss (the default option under IFRS 9).

The equity investments at fair value through profit or loss are initially recognised at fair value and the transaction costs are recorded in profit or loss. They are subsequently measured at fair value with all changes in fair value accounted for through profit or loss. Equity investments at fair value through profit or loss are not subject to impairment testing.

Valuation

As at 31 March 2022 all the equity investments of the Fund were carried at fair value.

Listed shares are measured at fair value using quoted prices for that instrument at the reporting date.

The fair value of *unlisted shares* is calculated and approved by the Fund's Sole Director using valuation techniques in accordance with International Valuation Standards, based on independently appraised valuation reports.

The holdings in companies in liquidation, dissolution, bankruptcy, companies in insolvency or reorganisation are valued at nil.

Capital Expenditure

Capital expenditure comprises the costs for the acquisition and upgrade of the intangible assets of the Fund, which include the value of the licences, the implementation costs and the updates of the Fund's accounting and reporting software, net of the accumulated amortisation.

In the first quarter of 2022 the Fund's investments in intangible assets include the updates to the accounting and reporting software, following the finalisation of the Fund's registration process as an alternative investment fund with the FSA (the Fund started to apply the Romanian AIF Law (Law 243/2019) and AIF Regulation (Regulation 7/2020)).

Statement of Comprehensive Income

RON million	Q1 2022 Unaudited	Q1 2021 Unaudited
Unrealised loss from equity investments at fair value through profit or loss	(62.3)	(5.3)
Unrealised gain from equity investments at fair value through profit or loss	883.5	723.0
Net gain / (loss) from other financial assets at fair value through profit or loss	188.7	(2.4)
Net realised loss from non-current assets held for sale	(157.0)	-
Interest income	6.9	6.0
Other income/(expenses), net*	-	1.3
Net operating income	859.8	722.6
Administration fees recognised in profit and loss	(20.8)	(16.3)
Other operating expenses	(12.9)	(4.9)
Operating expenses	(33.7)	(21.2)
Finance costs	-	-
Profit before income tax	826.1	701.4
Income tax	-	-
Profit for the period	826.1	701.4
Other comprehensive income	-	-
Total comprehensive income for the period	826.1	701.4

Source: IFRS financial statements

* Other income/ (expenses), net included mainly the net gain/ (loss) from fair value changes related to government securities, net foreign exchange gain/ (loss) and other operating income/ (expenses).

The **unrealised gain from equity investments at fair value through profit or loss** for the first three months of 2022 of RON 883.5 million was generated by Hidroelectrica SA.

The **unrealised loss from equity investments at fair value through profit or loss** for the first three months of 2022 of RON 62.3 million was generated mainly by the negative share price evolution of OMV Petrom SA.

Net gain from other financial assets at fair value through profit or loss is related to the payment for all unpaid shares owned by the Romanian State (Ministry of Public Finance) (amount paid of RON 189,182,422). At 31 December 2021, the fair value of the receivable was zero.

Net realised loss from non-current assets held for sale for Q1 2022 was generated by the partial disposal of OMV Petrom SA holding.

Details regarding the **administration fees** recorder during the three-month period ended 31 March 2022 are presented in the table below:

RON million	Q1 2022 Unaudited	Q1 2021 Unaudited
Recognised in profit or loss	20.7	16.3
Base fee	18.0	14.0
Performance fee	2.7	2.3
Recognised in other comprehensive income	0.5	1.1
Distribution fee for buy-back programmes	0.5	1.1
Total administration fees	21.2	17.4

Source: IFRS financial statements

The increase in the **administration fees** in Q1 2022 compared with Q1 2021 was mainly due to:

- Increase in base fee as a result of:
 - the increase in the Fund's share price on BVB (average closing share price during Q1 2022 was RON 1.9948, compared with Q1 2021 when was RON 1.5744 per share)
 - increase of FP issued shares following the payment for all unpaid shares owned by the Romanian State in the Fund starting with 1 February 2022, the date when the Romanian State, represented by the Ministry of Public Finance paid RON 189,182,422 to the Fund, as payment for all unpaid shares owned by the Romanian State in the Fund (as at 31 January 2022, the Romanian State held 363,812,350 unpaid shares, each share having a nominal value of RON 0.52).
- the performance fees, recorded in the first three months of 2022, as a result of the Fund's share price discount to NAV which varied in 3 trading days higher 20%, in 8 trading days between <20% and >15% and in 52 trading days lower than 15%

The decrease in **distribution fees** is due to the fact that the thirteen-buyback programme started on 31 January 2022 and was suspended on 14 March 2022 following the start of the procedures related to the Public Tender Offer.

Other Operating Expenses

The main categories of other operating expenses are detailed in the table below:

RON million	Q1 2022 Unaudited	Q1 2021 Unaudited
FSA monthly fees	3.3	2.4
Transactions costs	7.3	-
Depositary fees	0.1	0.1
Other expenses	2.2	2.4
Total other operating expenses	12.9	4.9

Source: IFRS financial statements

The transaction costs in amount of RON 7.3 million are related to the partial disposal of Fund's holding in OMV Petrom SA (mainly brokerage fees, BVB fee).

At 31 March 2021, **other expenses** caption comprised mainly Board of Nominees remuneration and related expenses, legal and litigation assistance expenses, investor relations expenses, audit related expenses and tax compliance and tax advisory expenses.

Financial Ratios

Description	31 March 2022		
1. Current liquidity ratio			
<u>Current Assets*</u>		=	10.83
Current Liabilities			
<i>*For the computation of this ratio, "Current assets" comprise cash and current accounts, deposits with banks, treasury bills, government bonds and other assets. "Current liabilities" include payables and other payables (as presented in the section afferent to the statement of financial position).</i>			
2. Debt-to-equity ratio (%)			
<u>Borrowings</u>	x 100	=	-
Shareholders' Equity			
<i>The Fund had no borrowings as at 31 March 2022 therefore this ratio is nil</i>			
3. Receivables turnover ratio - customers (number of days)			
<u>Average balance of receivables</u>	x 90	=	n.a.
Turnover			
<i>This ratio is not applicable to an investment fund and cannot be calculated</i>			
4. Turnover of non-current assets			
<u>Turnover</u>		=	0.06
Non-current assets			
<i>For the computation of this ratio, "Turnover" includes dividend income, net unrealised/realised gain/ (loss) from financial instruments at fair value through profit or loss, interest income and other income for the three-month period ended 31 March 2022, while "Non-current assets" included equity investments as at 31 March 2022.</i>			
<i>This ratio has no significance for an investment fund.</i>			

Subsequent Events

The resolutions adopted by shareholders during the 2022 Annual GSM of the Fund

During the 20 April 2022 Annual GSM of the Fund the shareholders approved:

- The decrease of the subscribed and paid-up share capital of Fondul Proprietatea from RON 3,334,342,422.84 to RON 3,233,269,110.76 pursuant to the cancellation of 194,371,754 own shares acquired by Fondul Proprietatea during 2021;
- The continuation of the current mandate of FTIS as AIFM and Sole Director of FP;
- The approval of the Annual Activity Report of the Sole Director of Fondul Proprietatea for the financial year 2021 and the financial statements for the year ended on 31 December 2021;
- The approval of the Remuneration Report of Fondul Proprietatea;
- The appointment of Mr Martin Bernstein as member of the Board of Nominees following the resignation of Mr. Mark Gitenstein on 18 December 2021; the mandate of the new member is valid for a period of three (3) years and shall produce its effects starting with the acceptance date;
- The coverage of the negative reserves of RON 671,941,938 arising out of the cancellation on 28 October 2021 of the treasury shares acquired during 2020 through the eleventh buy-back programme;
- The allocation to other reserves of an amount of RON 230,576,693 from the 2021 net accounting profit to be used for covering the negative reserves estimated to arise from the cancellation of treasury shares acquired during 2021 through the twelfth buy-back programme;
- The approval of the additional fees amounting to EUR 17,550 incurred by Deloitte Audit S.R.L., as the financial auditor of Fondul Proprietatea
- The distribution of a gross dividend of RON 0.1250 per share from the 2021 net accounting profit (payment date 27 June 2022).

Hidroelectrica SA dividends

On 28 April, the shareholders of the company approved the distribution of RON 2.83 billion as annual dividends out of the 2021 net profit and RON 1.0 billion as special dividends out of retain earnings. The total amounts corresponding to the Fund is RON 764 million. The deadline for the payment by Hidroelectrica SA to shareholders of the annual dividend is 27 June 2022, while the deadline for the payment of the special dividend is 30 September 2022.

Legal representation changes at the level of the Fund

Starting with 27 April 2022, the composition of the Board of Nominees changed considering the start of the new mandate as member of BoN of Mr Martin Bernstein and the current composition is:

- Ilinca von Derenthall – Chairperson of the Board of Nominees;
- Ciprian Lăduncă – Member of BoN and Chairperson of Audit and Valuation Committee;
- Nicholas Paris – Member of BoN and Chairperson of Nomination and Remuneration Committee;
- Martin Bernstein – Member of BoN;
- Ömer Tetik – Member of BoN.

Starting with 10 May 2022, the new membership of the Fund's Consultative Committees is:

The Audit and Valuation Committee consists of:

- Mr. Ciprian LĂDUNCĂ – Chairperson;
- Mr. Martin BERNSTEIN – Member;
- Mr. Nicholas PARIS – Member.

The Nomination and Remuneration Committee consists of:

- Mr. Nicholas PARIS – Chairperson;
- Mr. Martin BERNSTEIN – Member;
- Mrs. Ilinca von DERENTHALL – Member.

Approval of the public tender offer in relation to the acceleration of the buy-back programme

On 11 May 2022, FSA approved the Fund's application for the public tender offer in relation to the acceleration of the ongoing buy-back programme.

Under this TO the Fund intend to repurchase up to 325,000,000 shares in the form of shares and/or GDR at a purchase price of RON 2.19 per share and the USD equivalent of RON 109.50 per GDR, computed in accordance with the terms and conditions of the tender offer documentation. The subscription period is from 18 May 2022 to 24 June 2022.

Signatures:

16 May 2022

Johan Meyer

Permanent Representative

Franklin Templeton International Services S.à r.l. acting in the capacity of Sole Director of Fondul Proprietatea SA

Prepared by

Catalin Cadaru

Financial Reporting Manager

Franklin Templeton International Services S.à r.l. Bucharest Branch

Annex 1

FONDUL PROPRIETATEA SA

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2022

Prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and applying the Financial Supervisory Authority ("FSA") Norm no. 39/ 28 December 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 ("Norm 39/2015")

This is a translation from the official Romanian version.

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2022

(all amounts are in RON unless otherwise stated)

	<i>Note</i>	3 months ended 31 March 2022	3 months ended 31 March 2021
Net gain from equity investments at fair value through profit or loss	5	821,205,008	717,712,724
Net gain/(loss) from other financial instruments at fair value through profit or loss	6	188,743,755	(2,365,177)
Interest income		6,875,879	5,984,558
Net realised loss from non-current assets held for sale	7	(156,975,000)	-
Net foreign exchange loss		(54,107)	(47,992)
Other (expenses)/income, net		(36,686)	1,301,215
Net operating income		859,758,849	722,585,328
Operating expenses	8	(33,611,679)	(21,157,413)
Finance costs	9	(22,500)	(22,500)
Profit before income tax		826,124,670	701,405,415
Withholding tax on the dividend income		-	-
Profit for the period		826,124,670	701,405,415
Other comprehensive income		-	-
Total comprehensive income for the period		826,124,670	701,405,415
Basic and diluted earnings per share	<i>11</i>	0.1358	0.1168

These condensed interim financial statements were authorised for issue on 16 May 2022 by:

Franklin Templeton International Services S.à r.l. Luxembourg, in its capacity of alternative investment fund manager of Fondul Proprietatea SA

Johan Meyer

Permanent Representative

Prepared by:

Catalin Cadaru

Financial Reporting Manager

The notes on pages 6 to 31 are an integral part of these condensed interim financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

(all amounts are in RON unless otherwise stated)

	<i>Note</i>	31 March 2022	31 December 2021
Assets			
Cash and current accounts	<i>12</i>	73,882	76,632
Distributions bank accounts	<i>12</i>	87,645,242	68,148,338
Deposits with banks	<i>12</i>	636,167,655	347,387,604
Treasury bills		93,406,307	-
Government bonds		228,280,197	77,106,529
Equity investments	<i>14</i>	13,398,883,614	12,577,678,606
Non-current assets held for sale	<i>7</i>	-	1,135,225,000
Other assets	<i>15</i>	207,127,707	298,725
Total assets		14,651,584,604	14,205,921,434
Liabilities			
Payable to shareholders	<i>16 (a)</i>	87,667,694	408,245,702
Other liabilities and provisions	<i>16 (b)</i>	27,972,626	40,127,825
Total liabilities		115,640,320	448,373,527
Equity			
Paid share capital	<i>17 (a)</i>	3,334,342,423	3,145,160,001
Reserves related to the unpaid share capital	<i>17 (b)</i>	-	189,182,422
Other reserves	<i>17 (c)</i>	666,991,766	666,991,766
Treasury shares	<i>17 (d)</i>	(379,378,298)	(331,650,005)
Retained earnings		10,913,988,393	10,087,863,723
Total equity		14,535,944,284	13,757,547,907
Total liabilities and equity		14,651,584,604	14,205,921,434

The notes on pages 6 to 31 are an integral part of these condensed interim financial statements.

CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2022

(all amounts are in RON unless otherwise stated)

	Share capital	Reserves related to the unpaid share capital	Other reserves	Treasury shares	Retained earnings	Total attributable to the equity holders of the Fund
Balance as at 1 January 2022	3,145,160,001	189,182,422	666,991,766	(331,650,005)	10,087,863,723	13,757,547,907
Profit for the period	-	-	-	-	826,124,670	826,124,670
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	826,124,670	826,124,670
Transactions with owners, recorded directly in equity						
Acquisition of treasury shares	-	-	-	(47,728,293)	-	(47,728,293)
Collection of the unpaid share capital	189,182,422	(189,182,422)	-	-	-	-
Total transactions with owners recorded directly in equity	189,182,422	(189,182,422)	-	(47,728,293)	-	(47,728,293)
Balance as at 31 March 2022	3,334,342,423	-	666,991,766	(379,378,298)	10,913,988,393	14,535,944,284

The notes on pages 6 to 31 are an integral part of these condensed interim financial statements.

CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2022

(all amounts are in RON unless otherwise stated)

	Share capital	Reserves related to the unpaid share capital	Other reserves	Treasury shares	Retained earnings	Total attributable to the equity holders of the Fund
Balance as at 1 January 2021	3,560,099,870	189,182,422	539,400,224	(1,086,443,209)	7,064,680,119	10,266,919,426
Profit for the period	-	-	-	-	701,405,415	701,405,415
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	701,405,415	701,405,415
Transactions with owners, recorded directly in equity						
Acquisition of treasury shares	-	-	-	(117,544,815)	-	(117,544,815)
Total transactions with owners recorded directly in equity	-	-	-	(117,544,815)	-	(117,544,815)
Balance as at 31 March 2021	3,560,099,870	189,182,422	539,400,224	(1,203,988,024)	7,766,085,534	10,850,780,026

The notes on pages 6 to 31 are an integral part of these condensed interim financial statements.

**CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2022**

(all amounts are in RON unless otherwise stated)

	3 months ended 31 March 2022	3 months ended 31 March 2021
Cash flows from operating activities		
Proceeds from disposal of equity investments	978,250,000	-
Amounts received from Romanian State for the unpaid share capital	189,182,422	-
Proceeds from transactions with treasury bills and bonds	77,291,844	247,199,276
Interest received	5,547,766	4,543,814
Dividends received (net of withholding tax)	15,624	-
Acquisition of treasury bills and bonds	(227,774,993)	(122,297,124)
Guarantee deposited to the broker for the 13th buyback tender offer	(206,700,000)	-
Suppliers and other taxes and fees paid	(44,773,483)	(24,440,572)
Subscriptions to share capital increase of portfolio companies	-	(55,720)
Other (payments performed)/amounts received, net	(289,425)	930,636
Net cash flows from operating activities	770,749,755	105,880,310
Cash flows from financing activities		
Dividends paid (net of withholding tax)	(320,578,007)	(1,715,642)
Acquisition cost of treasury shares	(48,629,768)	(113,399,734)
Payment of fees related to the short term bank loans	(22,500)	(22,500)
Net cash flows used in financing activities	(369,230,275)	(115,137,876)
Net increase/(decrease) in cash and cash equivalents	401,519,480	(9,257,566)
Cash and cash equivalents at the beginning of the period	415,528,011	694,344,555
Cash and cash equivalents at the end of the period as per the Statement of Cash Flows	817,047,491	685,086,989
Reconciliation of Statement of Cash Flows with the equivalent items reported in the Statement of Financial Position		
	31 March 2022	31 March 2021
Cash and current accounts (see Note 12)	73,882	114,091
Distributions bank accounts (see Note 12)	87,645,242	32,538,817
Bank deposits with original maturities of less than three months (see Note 12)	635,922,060	652,434,081
Treasury bills and bonds with original maturities of less than three months	93,406,307	-
	817,047,491	685,086,989
Interest accrued on bank deposits (see Note 12)	245,595	88,283
Government bonds with original maturities of more than three months and less than one year	228,280,197	254,422,064
Total cash and current accounts, deposits with banks, treasury bills and government bonds as per Statement of Financial Position	1,045,573,283	939,597,336

The notes on pages 6 to 31 are an integral part of these condensed interim financial statements.

**CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2022**

(all amounts are in RON unless otherwise stated)

1. General information

Fondul Proprietatea SA (referred to as “Fondul Proprietatea” or “the Fund”) was incorporated as a joint stock company and is operating as an undertaking for collective investment, in the form of a closed end investment company, established in accordance with Law no. 247/2005 on the reform in the field of property and justice and other adjacent measures, as subsequently amended (“Law 247/2005”) and registered in Bucharest on 28 December 2005. The address of the Fund’s registered office is 76 - 80, Buzești Street, 7th Floor, District 1, Bucharest.

Starting 1 April 2016, Fondul Proprietatea is an alternative investment fund as defined by the Alternative Investment Fund Managers Directive and by the Romanian legislation. On 28 January 2022, the Financial Supervisory Authority authorized Fondul Proprietatea as a closed-end Alternative Investment Fund designed for retail investors, with BRD Groupe Société Générale as depositary.

The Fund undertakes its activities in accordance with Law 24/2017 on issuers of financial instruments and market operations, Law 74/2015 regarding Alternative Investment Fund Managers, Law 247/2005, Law 297/2004 regarding the capital market, as subsequently amended, Law 243/2019 regulating the alternative investment funds and amending and supplementing certain normative acts and Companies Law 31/1990 republished as subsequently amended and it is an entity authorised, regulated and supervised by the FSA, as an issuer. Until 2013, FSA (the financial market supervisory authority) was known as the National Securities Commission. In accordance with its Constitutive Act, the main activity of the Fund is the management and administration of its portfolio.

The Fund was initially established to allow the payment in shares equivalent of the compensation due in respect of abusive expropriations undertaken by the Romanian State during the communist period, when properties were not returned in kind. Beginning with 15 March 2013, the compensation process was suspended and starting January 2015, the Romanian State decided to use a different compensation scheme that no longer involves the payment in Fondul Proprietatea shares equivalent.

Starting with 1 April 2016 the Fund is managed by Franklin Templeton International Services S.à r.l. (“FTIS”) as its Sole Director and Alternative Investment Fund Manager (“AIFM”) under the Directive 2011/61/EU on Alternative Investment Fund Managers and local implementation regulations. The FTIS’ mandate is for a period of two years and current mandate was approved in June 2019 for the period 1 April 2020 – 31 March 2022. The next mandate for the period 1 April 2022 – 31 March 2024 was approved by the Fund’s shareholders during 29 September 2021 shareholders’ meeting, while the related contractual terms along with the execution of the Management Agreement were approved by the Fund’s shareholders during 15 December 2021 shareholders’ meeting.

Starting with 1 December 2020, the portfolio management and the administrative activities previously delegated to Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch are performed by FTIS through its Bucharest Branch.

Since 25 January 2011, Fondul Proprietatea has been a listed company on the spot regulated market managed by the Bucharest Stock Exchange in Tier I shares of the Equity Sector of the market (renamed as of 5 January 2015 as Premium Tier shares), under ISIN number ROFPTAACNOR5 with the market symbol “FP”.

Since 29 April 2015, the Fund’s Global Depositary Receipts (“GDR”) have been listed on the London Stock Exchange – Specialist Fund Market, under ISIN number US34460G1067, with the market symbol “FP.”. The Bank of New York Mellon has been appointed by the Fund to act as depositary bank in relation to the GDR facility. The GDR facility is limited to one-third of the Fund’s subscribed share capital under the Romanian securities regulations, each GDR representing 50 shares, and the currency of the GDRs is the US dollar.

These condensed interim financial statements for the three month period ended 31 March 2022 are not audited

**CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2022**

(all amounts are in RON unless otherwise stated)

2. Basis of preparation**(a) Statement of compliance**

These condensed interim financial statements for the three month period ended 31 March 2022 have been prepared in accordance with IAS 34 Interim financial reporting and applying the FSA Norm 39/2015. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021, prepared in accordance with IFRS. These condensed interim financial statements are available starting with 16 May 2022, on the Fund's official webpage, www.fondulproprietea.ro and at the Fund's registered office.

The Fund is an investment entity and does not consolidate its subsidiaries as it applies IFRS 10, IFRS 12 and IAS 27 (Investment Entities). In consequence, the Fund does not prepare consolidated financial statements, the separate financial statements being the Fund's only financial statements. The Fund has reassessed the criteria for being an investment entity for the quarter ended 31 March 2022 and continues to meet them.

In determining whether the Fund meets the criteria from the definition of an investment entity, the management considered the investments portfolio structure and the Fund's investment objective. Aspects considered in making this judgement were the fact that the Fund has more than one investment, more investors neither of which are related parties of the Fund and the ownership interests from its portfolio are in the form of equity. The Fund's investment objective is also a typical one for an investment entity, respectively the maximization of returns to shareholders and the increase of the net asset value per share via investments in Romanian equities and equity-linked securities. The Fund's management analysis considered also other relevant factors, including the fact that almost all Fund's investments are accounted for using the fair value model.

(b) Going concern

The Fund's Sole Director has, at the authorisation date of these condensed interim financial statements, a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis of accounting in preparing the financial statements.

According with the Fund's constitutive act, the duration of Fondul Proprietatea is until 31 December 2031 and it may be extended by the extraordinary general meeting of shareholders, with additional periods of 5 years.

(c) Basis of measurement

These condensed interim financial statements have been prepared on a fair value basis for the main part of the Fund's assets (equity investments, treasury bills and government bonds, respectively), and on the historical cost or amortised cost basis for the rest of the items included in the financial statements.

(d) Functional and presentation currency

These condensed interim financial statements are prepared and presented in Romanian Lei (RON), which is the Fund's functional and presentation currency. All financial information presented in RON has been rounded to the nearest unit.

(e) Foreign currency

Transactions in foreign currency are translated into the functional currency of the Fund at the exchange rate valid at the date of the transactions. Monetary assets and liabilities denominated in foreign currency at the reporting date are translated into the functional currency at the exchange rate valid at that date. Non - monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated into the functional currency at the exchange rate valid at the date of the transaction and are not subsequently remeasured.

The exchange rates of the main foreign currencies, published by the National Bank of Romania at 31 March 2022 were as follows: 4.9466 RON/EUR, 4.4508 RON/USD and 5.8374 RON/GBP (31 March 2021: 4.9251 RON/EUR, 4.1969 RON/USD and 5.7864 RON/GBP).

**CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2022**

(all amounts are in RON unless otherwise stated)

2. Basis of preparation (continued)**(f) Use of estimates**

The preparation of these condensed interim financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information and critical judgements in applying accounting policies with significant areas of estimation uncertainty that have the most significant impact on the amounts recognised in these condensed interim financial statements are included in the following notes:

- Note 13 – Deferred tax;
- Note 14 – Equity investments;
- Note 18 – Contingencies.

(g) The impact of the Russia – Ukraine military conflict on the Fund’s financial position

On 24 February 2022, Russia engaged in military actions on Ukraine territory. Fondul does not have any direct exposure to Russia and Ukraine. The Fund Manager is closely monitoring developments that may impact financial markets including sanctions, actions by governments and developments in Ukraine itself. The Fund Manager will further assess the impact on the portfolio companies operations and valuation and take any potential actions needed, as facts and circumstances are subject to change and may be specific to investment strategies and jurisdictions. At the authorization date of these condensed interim financial statements, the Fund Manager is not able to reliably estimate the impact as events are unfolding day-by-day.

During the quarter ended 31 March 2022, the Fund’s Sole Director performed a periodic analysis of multiples values of publicly traded peers companies and of the portfolio companies financial information and concluded that no adjustments of the value of unlisted holdings is needed as the impact is immaterial.

However, an accurate quantification of the further impact is difficult to estimate due to limited availability of the information, volatility and uncertainties existing in the market.

(h) COVID-19 pandemic

The Romanian Government decided to no longer extend the state of alert beyond 8 March 2022 and lifted all the restrictions imposed in the country in the context of the COVID-19 pandemic.

However, the Fund’s Sole Director will continue to closely monitor the evolution of the economic environment and the effects of the economic measures applied on a national and international level.

3. Significant accounting policies

The significant accounting policies applied in these condensed interim financial statements are the same as those applied in the Fund’s financial statements for the year ended 31 December 2021 and have been applied consistently to all periods presented in these condensed interim financial statements.

**CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2022**

(all amounts are in RON unless otherwise stated)

4. Financial assets and financial liabilities
Accounting classifications and fair values

The table below presents the carrying amounts and fair values of the Fund's financial assets and financial liabilities:

	Other financial assets at amortised cost	Fair value through profit or loss	Other financial liabilities at amortised cost	Total carrying amount	Fair value
31 March 2022					
Cash and current accounts	73,882	-	-	73,882	73,882
Distributions bank accounts	87,645,242	-	-	87,645,242	87,645,242
Deposits with banks	636,167,655	-	-	636,167,655	636,167,655
Treasury bills	-	93,406,307	-	93,406,307	93,406,307
Government bonds	-	228,280,197	-	228,280,197	228,280,197
Equity investments	-	13,398,883,614	-	13,398,883,614	13,398,883,614
Other financial assets	206,791,895	-	-	206,791,895	206,791,895
Other financial liabilities	-	-	(112,687,133)	(112,687,133)	(112,687,133)
	930,678,674	13,720,570,118	(112,687,133)	14,538,561,659	14,538,561,659
	Other financial assets at amortised cost	Fair value through profit or loss	Other financial liabilities at amortised cost	Total carrying amount	Fair value
31 December 2021					
Cash and current accounts	76,632	-	-	76,632	76,632
Distributions bank accounts	68,148,338	-	-	68,148,338	68,148,338
Deposits with banks	347,387,604	-	-	347,387,604	347,387,604
Government bonds	-	77,106,529	-	77,106,529	77,106,529
Equity investments	-	12,577,678,606	-	12,577,678,606	12,577,678,606
Non-current assets held for sale	-	1,135,225,000	-	1,135,225,000	1,135,225,000
Other financial assets	54,000	-	-	54,000	54,000
Other financial liabilities	-	-	(433,968,064)	(433,968,064)	(433,968,064)
	415,666,574	13,790,010,135	(433,968,064)	13,771,708,645	13,771,708,645

Fair value hierarchy

The Fund classifies the fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement, the levels of the fair value hierarchy being defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2022**

(all amounts are in RON unless otherwise stated)

4. Financial assets and financial liabilities (continued)
Fair value hierarchy (continued)

The table below presents the classification of the financial instruments carried at fair value by fair value hierarchy level, based on the inputs used in making the measurement:

31 March 2022	Level 1	Level 2	Level 3	Total
Treasury bills	93,406,307	-	-	93,406,307
Government bonds	228,280,197	-	-	228,280,197
Equity investments:	911,690,833	-	12,487,192,781	13,398,883,614
<i>Power utilities: generation</i>	-	-	9,924,444,000	9,924,444,000
<i>Oil and gas</i>	793,617,597	-	-	793,617,597
<i>Power and gas utilities: distribution, supply</i>	-	-	1,252,700,000	1,252,700,000
<i>Infrastructure</i>	-	-	1,040,594,415	1,040,594,415
<i>Heavy industry</i>	-	-	242,856,500	242,856,500
<i>Aluminium</i>	118,073,237	-	-	118,073,237
<i>Postal services</i>	-	-	13,900,000	13,900,000
<i>Others</i>	-	-	12,697,866	12,697,866
Total	1,233,377,337	-	12,487,192,781	13,720,570,118

31 December 2021	Level 1	Level 2	Level 3	Total
Government bonds	77,106,529	-	-	77,106,529
Equity investments:	973,777,976	-	11,603,900,630	12,577,678,606
<i>Power utilities: generation</i>	-	-	9,040,900,000	9,040,900,000
<i>Oil and gas</i>	842,585,491	-	-	842,585,491
<i>Power and gas utilities: distribution, supply</i>	-	-	1,252,700,000	1,252,700,000
<i>Infrastructure</i>	-	-	1,040,856,754	1,040,856,754
<i>Heavy industry</i>	-	-	242,856,500	242,856,500
<i>Aluminium</i>	131,192,485	-	-	131,192,485
<i>Postal services</i>	-	-	13,900,000	13,900,000
<i>Others</i>	-	-	12,687,377	12,687,377
Non-current assets held for sale (see Note 7)	1,135,225,000	-	-	1,135,225,000
Total	2,186,109,505	-	11,603,900,630	13,790,010,135

CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2022

(all amounts are in RON unless otherwise stated)

5. Net gain from equity investments at fair value through profit or loss

	3 months ended 31 March 2022	3 months ended 31 March 2021
Unrealised gain from equity investments at fair value through profit or loss	883,554,489	723,005,124
Unrealised loss from equity investments at fair value through profit or loss	(62,349,481)	(5,292,400)
Total	821,205,008	717,712,724

The unrealised gain from equity investments at fair value through profit or loss for the three month period ended 31 March 2022 was mainly generated by the change in fair value for the holding in Hidroelectrica SA (unrealised gain of RON 883,544,000), as a result of updating its value with the most recent discount for the lack of marketability (DLOM) estimated by KPMG Romania based on the shareholders' approval for the listing of the company on the stock exchange.

The unrealised gain from equity investments at fair value through profit or loss for the three month period ended 31 March 2021 was mainly generated by the change in fair value for the holding in Hidroelectrica SA (unrealised gain of RON 417,884,890) and OMV Petrom SA (unrealised gain of RON 263,575,947), as a result of their strong performance during the quarter.

The unrealised loss from equity investments at fair value through profit or loss for the three month period ended 31 March 2022 was generated by the negative change in fair value for the holding in OMV Petrom SA (unrealised loss of RON 48,967,894) and Alro SA (unrealised loss of RON 13,119,249) following the impact on the financial market of the Russia – Ukraine military conflict.

The unrealised loss from equity investments at fair value through profit or loss the three month period ended 31 March 2021 was mainly generated by the change in fair value for the holding in Romaero SA (unrealised loss of RON 4,984,426).

6. Net gain/(loss) from other financial instruments at fair value through profit or loss

The net gain/(loss) from other financial instruments at fair value through profit or loss for the three month period ended 31 March 2022 mainly comprised the realised gain from the change in the fair value of the receivable related to the unpaid share capital from the Romanian State which was classified at fair value through profit or loss due to the failure of Solely Payments of Principal and Interest (SPPI) test requested by IFRS 9. The fair value of this receivable as at 31 December 2021 was nil. On 1 February 2022, the Romanian State, represented by the Ministry of Public Finance, transferred RON 189,182,422 to the Fund, as payment for all unpaid shares, consequently the value of the receivable related to the unpaid share capital from the Romanian State was updated accordingly and the resulted difference was recorded as realised gain through profit or loss.

The remaining amounts recorded under this category represent the net loss generated by the change in fair value for the government bonds held by the Fund during the three month periods ended 31 March 2022 and 31 March 2021.

7. Net realised loss from non-current assets held for sale

In January 2022, the Fund publicly announced that it had taken the decision to proceed with the partial sale of the investment in OMV Petrom SA (listed company) through an accelerated bookbuild offering. Consequently, as at 31 December 2021, the Fund reclassified, in accordance with IFRS 5 requirements, the part of the holding in OMV Petrom SA of RON 1,135,225,000 subject to the bookbuild offering, as non-current assets held for sale. The sale offering was completed on 19 January 2022 for 2,275,000,000 shares representing approximately 57% of Fund's holding in OMV Petrom SA and the gross proceeds received from the disposal amounted to RON 978,250,000.

**CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2022**

(all amounts are in RON unless otherwise stated)

7. Net realised loss from non-current assets held for sale (continued)

The realised loss of RON 156,975,000 from the disposal of the non-current assets held for sale represents the difference between the total proceeds from the disposal (RON 978,250,000) and the fair value at the reclassification date of the non-current assets held for sale disposed of (RON 1,135,225,000).

There were no assets classified as non-current assets held for sale during the quarter ended 31 March 2021.

8. Operating expenses

	3 months ended 31 March 2022	3 months ended 31 March 2021
FTIS administration fees (i)	20,757,201	16,273,201
FSA monthly fees (ii)	3,276,287	2,426,294
Third party services (iii)	1,550,220	1,693,545
BON remunerations and related taxes (iv)	289,476	361,845
Depository bank fee	105,113	142,849
Intermediaries and other fees related to disposal of portfolio holdings	7,343,352	4,888
Other operating expenses	290,030	254,791
	33,611,679	21,157,413

(i) FTIS administration fees

The administration fees include the base fee and the distribution fee. The distribution fee related to dividend distributions to shareholders is recognised through profit or loss while the distribution fee related to the buy-backs is recognised directly in equity as buy-backs acquisition cost. An additional base fee of 0.05% is payable to FTIS as performance fee when the discount of the Fund's share price to net asset value per share is below or equal to 20% but above 15% and a further 0.05% when the discount is equal or below 15%.

The administration fees recorded during the quarter ended 31 March 2022 and the quarter ended 31 March 2021 are presented in the table below:

	3 months ended 31 March 2022	3 months ended 31 March 2021
Base fee	18,040,368	13,948,553
Performance fee	2,716,833	2,324,648
Administration fees recognised in profit or loss	20,757,201	16,273,201
Distribution fees related to buy-backs recognised in equity	472,058	1,132,899
Total administration fees	21,229,259	17,406,100

The administration fees are invoiced and paid on a quarterly basis.

(ii) FSA monthly fees

During the first quarter of 2022 and the first quarter of 2021, the FSA fee was 0.0078% per month applied on the total net asset value.

**CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2022**

(all amounts are in RON unless otherwise stated)

8. Operating expenses (continued)
(iii) Third party services

Third party services recorded during the period included the following categories of expenses:

	3 months ended 31 March 2022	3 months ended 31 March 2021
Legal consultancy and litigation assistance	415,221	606,896
Financial auditor's fees	233,322	389,542
Portfolio valuation services	181,835	102,584
Regulatory and compliance expenses	121,359	65,436
Board of Nominees related costs	103,820	97,911
Tax compliance and advisory services	101,933	142,486
Public relations services	92,631	50,297
Other services	300,099	238,393
	1,550,220	1,693,545

The financial audit fees are recorded in the year they relate to. The financial auditor of Fondul Proprietatea for 2021 was Deloitte Audit SRL, while the financial auditor for 2022 is Ernst & Young Assurance Services SRL.

(iv) BON remunerations and related taxes

Remunerations and related taxes included the remunerations paid to the members of the Board of Nominees as well as the related taxes and contributions payable to the Romanian State budget (see Note 19 (a) for further details).

9. Finance cost

On 29 June 2020, the Fund extended the credit facility concluded with BRD - Groupe Societe Generale SA for a period of another two years, until 29 June 2022. The credit facility is for general corporate and operational use and has a committed amount of RON 45,000,000. The Fund may access, subject to bank's approval and in accordance with the provisions of the credit facility agreement, additional financing in excess of the said committed amount, without exceeding a total amount of RON 100,000,000 at any given time.

The Fund did not use the credit facility until the date of these condensed interim financial statements. The finance costs for the three month period ended 31 March 2022 of RON 22,500 (three month period ended 31 March 2021: RON 22,500) comprise the commitment fee on undrawn amounts from the credit facility.

There are no outstanding amounts from the credit facility as at 31 March 2022 and 31 December 2021.

**CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2022**

(all amounts are in RON unless otherwise stated)

10. Income tax

No current tax and no deferred tax were recorded during the three month periods ended 31 March 2022 and 31 March 2021.

	3 months ended 31 March 2022	3 months ended 31 March 2021
Reconciliation of effective tax rate		
Net profit for the period	826,124,670	701,405,415
Withholding tax on the dividend income	-	-
Profit excluding income tax	826,124,670	701,405,415
Income tax expense using the standard tax rate (16%)		
	(132,179,947)	(112,224,866)
<i>Impact on the income tax of:</i>		
Non-taxable income (other than dividend income)	188,008,596	85,386,684
Non-deductible expenses	(20,194,343)	(14,300,668)
Fiscal result impact in the current period	(35,634,306)	41,138,850
Tax on income	-	-

The fiscal result impact as at 31 March 2022 of RON 35,634,306 included in the table above represents the unrecognised deferred tax asset for the tax losses recorded for the quarter ended 31 March 2022.

The fiscal result impact as at 31 March 2021 of RON 41,138,850 included in the table above represents the current tax on profit for the first quarter of 2021 which was offset by the Fund's tax losses carried forward.

As at 31 March 2022 and 31 December 2021 there is no income tax due or to be recovered from the State Budget by the Fund.

See Note 13 *Deferred tax* for details regarding the deferred tax computation and recognition.

11. Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary paid shares in issue during the period, excluding the average number of ordinary shares purchased by the Fund and held as treasury shares (based on their settlement date). As at 31 March 2022 and 31 March 2021, none of the Fund's issued shares or other instruments had dilutive effect, therefore basic and diluted earnings per share are the same.

	3 months ended 31 March 2022	3 months ended 31 March 2021
Profit for the period	826,124,670	701,405,415
Weighted average number of ordinary shares	6,082,553,200	6,003,416,779
Basic and diluted earnings per share	0.1358	0.1168

**CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2022**

(all amounts are in RON unless otherwise stated)

12. Cash and current accounts and deposits with banks

	31 March 2022	31 December 2021
Petty cash	464	536
Current accounts with banks	73,418	76,096
Distributions bank accounts	87,645,242	68,148,338
Cash and current accounts	87,719,124	68,224,970
	31 March 2022	31 December 2021
Bank deposits with original maturities of less than three months	635,922,060	347,303,041
Interest accrued on bank deposits	245,595	84,563
Deposits with banks	636,167,655	347,387,604

The cash held in the distributions bank accounts can only be used for payments to shareholders. Such payments are subject to a general statute of limitation, respectively the shareholders may request the payments only within a three-year term starting with the distribution payment date, except for specific instances that are individually assessed.

13. Deferred tax

As at 31 March 2022 and 31 December 2021 there is no difference between the carrying amount and tax base of assets and liabilities that could result in amounts that are deductible/ taxable when determining taxable profit or tax loss of future periods. In consequence, as at 31 March 2022 and 31 December 2021, the net deferred tax position is nil as the Fund did not recognise any deferred tax asset or deferred tax liability.

As at 31 March 2022 the unused fiscal loss carried forward amounts to RON 3,222,749,697 (31 December 2021: RON 3,000,035,281) out of which RON 2,499,510,496 will expire on 31 December 2022, RON 500,524,785 will expire on 31 December 2027 and RON 222,714,415 will expire on 31 December 2028.

As at 31 March 2022 and 31 December 2021 the Fund did not recognise any deferred tax asset for the unused tax losses carried forward as there is a high probability that there will be insufficient future taxable profit against which the loss carried forward can be utilised.

The effective tax rate used to calculate the deferred tax position of the Fund is 16% (standard tax rate).

There was no movement in the deferred tax position during the three month periods ended 31 March 2022 and 31 March 2021. The deferred tax balances during both these periods were zero.

14. Equity investments

All Fund's equity investments are classified at fair value through profit or loss.

The equity instruments of the Fund are valued at fair value as follows:

- At fair value, determined either by reference to published prices on the stock exchange where shares are traded (listed securities) or assessed using valuation techniques in accordance with International Valuation Standards (unlisted securities);
- Valued at nil, for holdings in companies in liquidation, dissolution, bankruptcy, insolvency, judicial reorganisation or which ceased their activity.

**CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2022**

(all amounts are in RON unless otherwise stated)

14. Equity investments (continued)

The movement in the carrying amounts of equity investments at fair value through profit or loss during the three month periods ended 31 March 2022 and 31 March 2021 is presented below:

	3 months ended 31 March 2022	3 months ended 31 March 2021
Opening balance	12,577,678,606	9,246,709,268
Net gain from equity investments at fair value through profit or loss (see <i>Note 5</i>)	821,205,008	717,712,724
Subscriptions to share capital increase of portfolio companies	-	415,111
Closing balance	13,398,883,614	9,964,837,103

Portfolio

As at 31 March 2022 and 31 December 2021 the Fund's portfolio comprised the following holdings:

	31 March 2022	31 December 2021
Hydroelectrica SA	9,924,444,000	9,040,900,000
OMV Petrom SA	793,617,597	842,585,491
CN Aeroporturi Bucuresti SA	674,200,000	674,200,000
Engie Romania SA	522,700,000	522,700,000
Administratia Porturilor Maritime SA	294,400,000	294,400,000
E-Distributie Banat SA	245,100,000	245,100,000
Societatea Nationala a Sarii SA	216,700,000	216,700,000
E-Distributie Muntenia SA	206,700,000	206,700,000
E-Distributie Dobrogea SA	184,000,000	184,000,000
Alro SA	118,073,237	131,192,485
Enel Energie SA	61,100,000	61,100,000
Romaero SA	41,187,097	41,449,436
Enel Energie Muntenia SA	33,100,000	33,100,000
Zirom SA	26,156,500	26,156,500
CN Administratia Canalelor Navigabile SA	15,831,240	15,831,240
Other	41,573,943	41,563,454
Total equity investments	13,398,883,614	12,577,678,606

None of the equity investments are pledged as collateral for liabilities.

As at 31 March 2022, the classification of the fair value of equity investments of RON 13,398,883,614 by fair value hierarchy level (see *Note 4* for more details) is as follows: RON 911,690,833 under Level 1 (31 December 2021: RON 973,777,976) and RON 12,487,192,781 under Level 3 (31 December 2021: RON 11,603,900,630).

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14. Equity investments (continued)

The table below presents the movement in Level 3 equity investments during the three month periods ended 31 March 2022 and 31 March 2021:

	3 months ended 31 March 2022	3 months ended 31 March 2021
Opening balance	11,603,900,630	7,642,697,782
Net unrealised gain recognised in profit or loss	883,292,151	412,592,490
Subscriptions to share capital increase of portfolio companies	-	415,111
Transfers in/(out) of Level 3	-	-
Closing balance	12,487,192,781	8,055,705,383

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustments based on unobservable inputs, that financial instrument is classified on Level 3. Assessing the significance of an input to the fair value measurement in its entirety requires significant judgment, considering factors specific to the asset.

The Fund considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

For Level 3, the equity investments valuations were performed using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs, which ensures that the underlying data is accurate, and that appropriate inputs were used in the valuation.

As at 31 March 2022, the fair value for 90% of the Level 3 equity investments (31 December 2021: for 89% of the Level 3 equity investments) was determined by applying the market comparison technique using comparable trading multiples for EBITDA, while the fair value for almost 10% of the Level 3 equity investments (31 December 2021: for almost 11% of the Level 3 equity investments) was determined by applying the income approach using the discounted cash flow method. There was no significant change in the valuation technique used for the valuation of the holdings as at 31 March 2022 compared with that used as at 31 December 2021.

The valuation reports used for the unlisted holdings value as at 31 March 2022 were prepared as at 31 October 2021 based on financial information available for the companies under valuation at the respective date, except the valuation report for the holding in Hidroelectrica SA which was prepared as at 31 December 2021 and updated with the most recent discount for the lack of marketability (DLOM) estimated by KPMG Romania based on the shareholders' approval for the listing of the company on the stock exchange. However, the Fund's management cannot accurately estimate the market value of the holding in Hidroelectrica SA upon listing and whether there will be significant differences between that and the current estimated fair value.

The valuation reports used for the unlisted holdings value as at 31 March 2021 were prepared as at 31 October 2020, except for the valuation report for the holding in Hidroelectrica SA which was prepared as at 28 February 2021 based on financial information available for the companies under valuation at the respective dates.

Based on the analysis of market multiples evolution used in the valuation reports and those as at the date of these condensed interim financial statements, it resulted that there is no significant adjustment needed to be recorded on the portfolio values.

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(all amounts are in RON unless otherwise stated)

14. Equity investments (continued)

The Fund's Sole Director believes that the fair values of the equity investments presented in these condensed interim financial statements represent the best estimates based on available information and under the current conditions.

The valuations are based on prevailing market, economic and other conditions at the valuation date and correspond with a period of significant volatility in global financial markets and widespread macro-economic uncertainty. To the extent possible, these conditions were reflected in the valuation. However, the factors driving these conditions can change over relatively short periods of time. The impact of any subsequent changes in these conditions on the global economy and financial markets generally, and on the Fund's portfolio holdings specifically, could impact the estimated fair values in the future, either positively or negatively.

The achievement of the forecasts included in the valuation reports critically depends on the assumptions used, on the specific developments of the portfolio companies' business, on government legislation and, in case of electricity sector, on the decisions regarding the regulated tariffs for electricity distribution as well as on the continuing restructuring process of the power sector.

As a result, the current valuation may not have identified, or reliably quantified the impact of all such uncertainties and implications.

The Fund's management has analysed the period between the date of the valuation reports and the date when these condensed interim were authorised for issue and there was no information known or available to the Fund's management which may have significant impact on the fair values of the equity investments as at the reporting date, as they are presented in these condensed interim financial statements.

Considering the economic uncertainties, the risks and the strong volatility existing in the capital markets, the Fund's Sole Director closely monitors the evolution of the economic environment and the effects of the economic measures on the Fund's portfolio companies. The Fund's Sole Director will perform a periodic analysis of multiples values of publicly traded peers companies and of the available portfolio companies' financial information and will adjust the value of unlisted holdings accordingly, if the case.

The Fund has an established control framework with respect to the measurement of fair values. This framework includes a valuation department and a valuation committee, both independent of portfolio management which have overall responsibility for fair value measurements.

The economic uncertainties are expected to continue in the foreseeable future and consequently, there is a possibility that the assets of the Fund are not recovered at their carrying amounts in the ordinary course of business. A corresponding impact on the Fund's profitability cannot be estimated reliably as of the date of these condensed interim financial statements.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Fund believes that a third-party market participant would consider these factors in pricing a transaction.

For the financial investments classified as Level 1, the Fund had adequate information available with respect to active markets, with sufficient trading volume, for obtaining accurate prices.

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(all amounts are in RON unless otherwise stated)

14. Equity investments (continued)

The following tables set out information about the significant unobservable inputs used at 31 March 2022 and 31 December 2021 in measuring equity instruments classified as Level 3 in the fair value hierarchy:

Financial assets	Fair value as at 31 March 2022	Valuation technique	Unobservable inputs range (weighted average)	Relationship of unobservable inputs to fair value
Total	12,487,192,781			
Unlisted equity instruments	11,200,671,618	Market approach - comparable companies (based on EBITDA multiple)	EBITDA multiple ranging from 4.02 - 11.50 (10.93) Discount for lack of marketability: 8.01% or 16.20% (8.94%)	The higher the EBITDA multiple, the higher the fair value. The lower discount for lack of marketability, the higher the fair value.
Unlisted equity instruments and Listed illiquid equity instruments	1,230,362,631	Income approach - discounted cash flow method	Weighted average cost of capital ranging from 10.30% - 14.70% (11.53%) Discount for lack of marketability ranging from 11.4% - 16.3% (15.87%) Discount for lack of control: 0% - 26.7% (17.89%) Long-term revenue growth rate: 2.50% (2.50%)	The lower the weighted average cost of capital, the higher the fair value. The lower the discount for the lack of marketability, the higher the fair value. The lower the discount for the lack of control, the higher the fair value. The higher the long-term revenue growth rate, the higher the fair value.
Unlisted equity instruments	13,900,000	Market approach - comparable companies (based on Price /Earnings multiple)	Price/Earnings value: 6.14 (6.14) Discount for lack of marketability: 22.8% (22.8%)	The higher the Price /Earnings multiple, the higher the fair value. The lower the discount for the lack of marketability, the higher the fair value.
Unlisted equity instruments	0	Market approach - comparable companies (based on Revenue multiple)	Revenue multiple: 0.43 (0.43)	Irrespective of the evolution of the unobservable inputs, the value of this investment is zero due to the negative equity value of this company generated by a high level of net debts.
Listed illiquid equity instruments	42,258,532	Bucharest Stock Exchange reference price	These shares are traded infrequently and have little price transparency. Fair values for these equity instruments were considered to be those used in the calculation of the net asset value of the Fund, in accordance with the regulations issued by the Financial Supervisory Authority.	

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(all amounts are in RON unless otherwise stated)

14. Equity investments (continued)

Financial assets	Fair value as at 31 December 2021	Valuation technique	Unobservable inputs range (weighted average)	Relationship of unobservable inputs to fair value
Total	11,603,900,630			
Unlisted equity instruments	10,317,127,618	Market approach - comparable companies (based on EBITDA multiple)	EBITDA multiple ranging from 4.02 - 11.50 (10.88) Discount for lack of marketability: 16.20% (16.20%)	The higher the EBITDA multiple, the higher the fair value. The lower discount for lack of marketability, the higher the fair value.
Unlisted equity instruments and Listed illiquid equity instruments	1,230,362,631	Income approach - discounted cash flow method	Weighted average cost of capital ranging from 10.30% - 14.70% (11.53%) Discount for lack of marketability ranging from 11.4% - 16.3% (15.87%) Discount for lack of control: 0% - 26.7% (17.89%) Long-term revenue growth rate: 2.50% (2.50%)	The lower the weighted average cost of capital, the higher the fair value. The lower the discount for the lack of marketability, the higher the fair value. The lower the discount for the lack of control, the higher the fair value. The higher the long-term revenue growth rate, the higher the fair value.
Unlisted equity instruments	13,900,000	Market approach - comparable companies (based on Price /Earnings multiple)	Price/Earnings value: 6.14 (6.14) Discount for lack of marketability: 22.8% (22.8%)	The higher the Price /Earnings multiple, the higher the fair value. The lower the discount for the lack of marketability, the higher the fair value.
Unlisted equity instruments	0	Market approach - comparable companies (based on Revenue multiple)	Revenue multiple: 0.43 (0.43)	Irrespective of the evolution of the unobservable inputs, the value of this investment is zero due to the negative equity value of this company generated by a high level of net debts.
Listed illiquid equity instruments	42,510,381	Bucharest Stock Exchange reference price	These shares are traded infrequently and have little price transparency. Fair values for these equity instruments were considered to be those used in the calculation of the net asset value of the Fund, in accordance with the regulations issued by the Financial Supervisory Authority.	

As at 31 March 2022 and 31 December 2021, the Fund's investments in companies in liquidation, dissolution, bankruptcy, insolvency, judicial reorganisation or which ceased their activity are valued at nil.

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(all amounts are in RON unless otherwise stated)

14. Equity investments (continued)

Significant unobservable inputs are the following:

Revenue multiple: is a tool used to appraise businesses based on market comparison to similar public companies. Revenue based business value estimation may be preferred to earnings multiple valuation whenever there is uncertainty regarding some of a company's expenses. The most common tendency is to value a firm based on its sales whenever this number is the most direct indication of a company's earning capacity.

EBITDA multiple: represents the most relevant multiple used when pricing investments and it is calculated using information from comparable public companies (similar geographic location, industry size, target markets and other factors that valuers consider to be reasonable). The traded multiples for comparable companies are determined by dividing the enterprise value of a company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

Discount for lack of marketability: represents the discount applied to the comparable market multiples to reflect the liquidity differences between a portfolio company relative to its comparable peer group. Valuers estimate the discount for lack of marketability based on their professional judgement after considering market liquidity conditions and company-specific factors.

Discount for lack of control: represents the discount applied to reflect the absence of the power of control considered under the discounted cash flow method, in order to derive the value of a minority shareholding in the equity of subject companies.

Weighted average cost of capital: represents the calculation of a company's cost of capital in nominal terms (including inflation), based on the Capital Asset Pricing Model. All capital sources (shares, bonds and any other long-term debts) are included in a weighted average cost of capital calculation.

Price/Earnings multiple ("P/E"): Price/Earnings ratio is a market prospect ratio that calculates the market value of an investment relative to its earnings by comparing the market price per share by the earnings per share. It shows what the market is willing to pay for an investment based on its current earnings. Investors often use this ratio to evaluate what an investment's fair market value should be by predicting future earnings per share.

Price/Book value multiple: often expressed simply as price-to-book, this multiple measures a company's market price in relation to its book value (net assets). It reflects how many times the book value per share investors are ready to pay for a share. The Price/Book value multiple varies dramatically between industries. A company that requires more assets (e.g. a manufacturing company with factory space and machinery) will generally post a significantly lower price to book than a company whose earnings come from the provision of a service (e.g. a consulting firm).

15. Other assets

	31 March 2022	31 December 2021
Guarantee deposited to the broker for the 13th buyback tender offer	206,737,895	-
Prepaid expenses	317,264	189,896
Subscriptions to share capital increase of portfolio companies	54,000	54,000
Other assets	18,548	54,829
	207,127,707	298,725

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16. Liabilities**(a) Payable to shareholders**

	31 March 2022	31 December 2021
Net dividends payable to shareholders	87,639,030	408,217,038
Returns of capital due to shareholders	28,664	28,664
	87,667,694	408,245,702

The movement during the period is presented in the table below:

	3 months ended 31 March 2022	3 months ended 31 March 2021
Opening balance	408,245,702	34,380,437
Payments of net distributions performed from the dedicated bank accounts	(320,578,008)	(1,715,642)
Closing balance	87,667,694	32,664,795

(b) Other liabilities and provisions

	31 March 2022	31 December 2021
FTIS Administration fees	24,757,616	22,780,953
Financial Supervisory Authority fees	1,065,985	946,208
Tax on dividends due to State Budget	1,853,991	13,433,093
Other liabilities	295,034	1,595,354
Payables related to treasury shares under settlement	-	1,372,217
	27,972,626	40,127,825

The tax on dividends due to State Budget includes the accrual of RON 1,491,335 for the estimated withholding tax payable to State Budget during 2022 in relation with the dividend distribution approved by the Fund's shareholders during 15 December 2021 meeting for which the payment started on 18 February 2022.

17. Shareholders' equity**(a) Share capital**

On 1 February 2022, the Romanian State, represented by the Ministry of Finance paid RON 189,182,422 to the Fund, as payment for the unpaid shares owned by the Romanian State in the Fund (as at 31 December 2021, the Romanian State held 363,812,350 unpaid shares, each share having a nominal value of RON 0.52). This payment was performed in exercise of the Romanian State's rights under Law 247/2005 on the reform in the fields of property and justice, as well as some adjacent measures. Consequently, starting 1 February 2022, the new value of the Fund's subscribed and paid-up share capital is RON 3,334,342,422.84 (divided into 6,412,196,967 shares with a nominal value of RON 0.52/share).

There was no change in the share capital of the Fund recorded during the first quarter of 2021.

CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2022

(all amounts are in RON unless otherwise stated)

17. Shareholders' equity (continued)**(a) Share capital (continued)**

The table below presents the Fund's shares balance and their nominal value:

	31 March 2022	31 December 2021
Number of shares in issue	6,412,196,967	6,412,196,967
Number of paid shares	6,412,196,967	6,048,384,617
Number of unpaid shares	-	363,812,350
Nominal value per share (RON)	0.52	0.52
Issued share capital (RON)	3,334,342,422.84	3,334,342,422.84
Paid share capital (RON)	3,334,342,422.84	3,145,160,000.84
Unpaid share capital (RON)	-	189,182,422.00

The shareholders structure as at 31 March 2022 was as follows:

Shareholder categories	% of subscribed and paid share capital
Romanian institutional investors	37.06%
Romanian private individuals	20.13%
The Bank of New York Mellon (depository bank for the Fund's GDRs)	16.57%
Foreign institutional investors	14.02%
Foreign private individuals	3.04%
Romanian State	5.78%
Treasury shares	3.40%
Total	100.00%

Source: Depozitarul Central SA (Central Depository)

(b) Reserves related to the unpaid share capital

Unpaid share capital represented the nominal value of certain contributions due to the Fund by the Romanian State, represented by the Ministry of Public Finance as shareholder, which were initially recorded as paid share capital (based on Law 247/2005) and in 2011 were considered unpaid following the final results of several litigations that took place in the past. Holders of unpaid shares are not entitled to vote or to receive dividends or other cash distributions, until the matters are legally clarified.

Due to the fact that there are no clear provisions regarding the unpaid share capital in the special legislation related to the Fund and that according to the general framework provided by the Companies' Law the deadline for the payment by the Romanian State represented by Ministry of Public Finance of the unpaid share capital expired, the Fund recorded a presentation adjustment as at 31 December 2017 for the entire balance of unpaid share capital against other reserves.

This adjustment was recorded in the financial statements only for presentation purpose, while the actual cancellation of the unpaid share capital in the accounting followed the legal requirements and was booked only after the successful completion of the necessary legal steps.

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(all amounts are in RON unless otherwise stated)

17. Shareholders' equity (continued)**(b) Reserves related to the unpaid share capital (continued)**

As at 31 December 2021 the fair value of the receivable related to the unpaid amounts from the Romanian State was nil. On 1 February 2022, the Romanian State, represented by the Ministry of Public Finance, transferred RON 189,182,422 to the Fund, as payment for all unpaid shares mentioned above. The registration of the new share capital structure (subscribed and paid-up) and of the total voting rights of the Ministry of Public Finance with the Trade Registry, Financial Supervisory Authority and the Central Depository was completed during the first quarter of 2022. Consequently, this presentation adjustment was reversed in the first quarter of 2022.

(c) Other reserves

	31 March 2022	31 December 2021
Legal reserve	666,868,485	666,868,485
Other reserves	671,941,938	671,941,938
Distributions for which the statute of limitation occurred	123,281	123,281
Losses from cancellation of treasury shares (negative equity reserves)	(671,941,938)	(671,941,938)
	666,991,766	666,991,766

As required by the Romanian Companies' Law, a minimum 5% of the profit for the year must be transferred to the legal reserve until the reserve equals at least 20% of the issued share capital. The legal reserve cannot be used for distributions to shareholders. As at 31 March 2022 and 31 December 2021, the legal reserve amount represented 20% of the value of the issued share capital.

The amounts allocated to other reserves are to be used to cover the losses (negative reserves) recorded from cancellation of shares acquired through the buy-back programmes.

The Fund's shareholders' approved during the 28 April 2021 General Shareholders' Meeting ("GSM"), the allocation to other reserves of an amount of RON 671,941,938 from retained earnings and reserves resulted from the distributions for which the statute of limitation occurred, in order to be available for covering the negative reserves from cancellation of shares acquired during 2020 through the eleventh buy-back programme. The coverage of these negative reserves was approved by the Fund's shareholders during 20 April 2022 GSM.

Losses from cancellation of treasury shares comprise the negative reserves related to the losses on the cancellation of treasury shares acquired at an acquisition value higher than the nominal value. These amounts will be covered from retained earnings and other equity elements, in accordance with the resolution of the General Shareholders Meeting.

Since January 2017, the Fund's share nominal value was constantly lower than its market price, situation which did not change up to the date of these financial statements. All buy-backs performed after this date were made at an acquisition price higher than the nominal value and consequently all cancellations of treasury shares acquired through the buy-back programmes generated negative reserves.

There was no negative reserve recorded during the three month periods ended 31 March 2022 and 31 March 2021.

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(all amounts are in RON unless otherwise stated)

17. Shareholders' equity (continued)**(d) Treasury shares**

The table below summarises the details regarding the thirteen buy-back programme, respectively the buy-back programme carried during 2022:

	GSM date approving the buy-back programme	Starting date	Completion date	Acquisition price range as approved by GSM
Thirteen buy-back programme	15-Dec-2021	1-Jan-2022	31-Dec-2022	RON 0.2 – 2.5 per share

The thirteen buy-back programme refers to the acquisition by the Fund of a maximum number of 800,000,000 shares and/or equivalent global depository receipts corresponding to the Fund's shares.

The movement in the number of treasury shares (including the equivalent shares of GDRs bought-back) during the first quarter of 2022 and the first quarter of 2021 is presented in the tables below:

	Opening balance 1 January 2022	Acquisitions during the period	Cancellations during the period	Closing balance 31 March 2022
12 th buy-back	194,371,754	-	-	194,371,754
13 th buy-back	-	23,498,224	-	23,498,224
	194,371,754	23,498,224	-	217,869,978

	Opening balance 1 January 2021	Acquisitions during the period	Cancellations during the period	Closing balance 31 March 2021
11 th buy-back	797,961,287	-	-	797,961,287
12 th buy-back	-	75,418,379	-	75,418,379
	797,961,287	75,418,379	-	873,379,666

The movement of treasury shares carrying amounts during the first quarter of 2022 and the first quarter of 2021 is presented in the tables below:

	Opening balance 1 January 2022	Cost of treasury shares acquired	Cancellation of treasury shares	Closing balance 31 March 2022
12 th buy-back	331,650,005	-	-	331,650,005
13 th buy-back	-	47,728,293	-	47,728,293
	331,650,005	47,728,293	-	379,378,298

	Opening balance 1 January 2021	Cost of treasury shares acquired	Cancellation of treasury shares	Closing balance 31 March 2021
11 th buy-back	1,086,443,209	438,598	-	1,086,881,807
12 th buy-back	-	117,106,217	-	117,106,217
	1,086,443,209	117,544,815	-	1,203,988,024

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17. Shareholders' equity (continued)**(e) Dividend distribution**

The dividend distributions for which the payments are currently ongoing are presented in the table below:

Registration date of the shareholders in the shareholders' registry kept by the Central Depository	Gross dividend per share (RON)	Source of distribution	Starting Payment Date	Payment expiration date*
10-Jun-19	0.0903	2018 profit	01-Jul-19	01-Jul-22
10-Jun-20	0.0642	2019 profit	01-Jul-20	01-Jul-23
28-May-21	0.0720	2016 and 2017 unallocated profits	22-Jun-21	22-Jun-24
06-Aug-21	0.0700	remaining balance of 2017 and 2019 unallocated profits	27-Aug-21	27-Aug-24
28-Jan-22	0.0600	remaining balance of 2019 unallocated profit	18-Feb-22	18-Feb-25

* The dividend payment is subject to the general statute of limitation. As such, shareholders may request the payment only within a three-year term from the Starting Payment Date, unless the legislation provides for another term.

Only the shareholders registered in the shareholders' registry with the Central Depository on the registration date approved by the Fund's shareholders have the right to receive the related gross dividend, proportionally with their participation in the paid-in share capital of the Fund.

During the 20 April 2022 General Shareholders Meeting, the Fund's shareholders approved the distribution of a gross dividend of RON 0.1250 per share from 2021 profit. The shareholders registered in the shareholders' registry with the Central Depository on 3 June 2022 have the right to receive a gross dividend of RON 0.1250 per share, proportionally with their participation in the paid in share capital of the Fund. The payment will start on 27 June 2022.

18. Contingencies**(a) Litigations**

At 31 March 2022, the Fund was involved in certain litigations, either as defendant or claimant. After analysing the requirements of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Fund considers that there are no litigations which may have significant effects on the Fund's financial position or profitability.

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18. Contingencies (continued)**(b) Other contingencies**

Other contingencies of the Fund included the receivables from World Trade Center Bucuresti SA and the potential payable regarding CN Aeroporturi Bucuresti SA share capital increase, as detailed below.

(i) Receivables from World Trade Center Bucuresti SA

Title II, Article 4 of Government Emergency Ordinance no. 81/2007 stipulated the transfer of World Trade Center Bucuresti SA receivables from the Authority for State Assets Recovery to the Fund, amounting to USD 68,814,198 (including the original principal and related interest and penalties) on 29 June 2007.

Between 2008 and 2010 the Fund recovered from World Trade Center Bucuresti SA, USD 510,131, EUR 148,701 and RON 8,724,888. Given the uncertainties regarding the recoverability of the amounts due by World Trade Center Bucuresti SA, the above amounts were recognised on receipt basis in the Fund's financial statements.

The amounts recovered from the enforcement procedure were accounted for by the Fund as contributions of the Romanian State to the share capital of the Fund, decreasing the receivable related to the unpaid capital.

In August 2013, World Trade Center Bucuresti SA filed a claim against the Fund asking the Fund to pay back all the amounts received through the enforcement procedure during 2010 and 2011 (EUR 148,701, USD 10,131 and RON 8,829,663).

On 7 July 2016, the Bucharest Court admitted the claim filed by World Trade Center Bucuresti SA and obliged Fondul Proprietatea to pay back the amounts recovered from the enforcement procedure (EUR 148,701, USD 10,131 and RON 8,829,663) and the related legal interest calculated for these amounts. During the period from July to August 2016, the Fund performed the payment of these amounts and the related legal interest to World Trade Center Bucuresti SA. The Court decision is irrevocable.

On 18 February 2020, the Court ruled in favour of the Fund in the case started against the Romanian State, represented by Ministry of Public Finance, for recovering the contributions of the Romanian State to the share capital of the Fund. The decision was issued in the first stage and Ministry of Public Finance appealed it. On 18 September 2020, Bucharest Court of Appeal admitted the appeal of Ministry of Public Finance. The Fund filled the second appeal which was rejected by the High Court of Cassation and Justice on 1 April 2021. Consequently, the amounts mentioned above are to be recovered by the Fund from World Trade Center Bucuresti SA.

The Fund has initiated legal actions in this respect, which are pending with the Court. In case that the court decision is unfavorable, the Fund - based on the argumentation of the Court and the argumentation of the High Court of Cassation and Justice in the previous claim against the State (which is yet to be communicated to us) - will consider what other steps can be taken to recover the amount from the Romanian State, as payment for the shares which will be considered unpaid.

(ii) CN Aeroporturi Bucuresti SA share capital increase

CN Aeroporturi Bucuresti called through the convening notice published in the Official Gazette of Romania Part IV no. 3873/20.09.2021, a General Shareholders Meeting for 25 October 2021, in order to approve a share capital increase with the land located inside the Baneasa airport, brought as Romanian state's contribution in kind to the company's share capital. The proposed value for the share capital increase was initially RON 3,814,809,171. This is the third time when the process to increase the share capital is initiated since 2001 when Baneasa Airport received the land ownership certificates.

During 26 October 2021 (i.e. second call of the shareholders meeting) the share capital increase was approved only with Romanian State votes in favour as follows:

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18. Contingencies (continued)**(b) Other contingencies (continued)**

- The share capital increase approved was for RON 4,768,511,460, out of which:
 - RON 3,814,809,170 represents in kind contribution of Romanian State calculated as the value of the land parcels valued by the valuer appointed by Trade Register;
 - The amount of RON 953,702,290 represents the value of shares offered to be subscribed by Fondul Proprietatea for maintaining 20% participation in the share capital. The preference rights may be used by the Fund within 60 days calculated starting with the date when the shareholders resolution is published in the Official Gazette;
- After 60 days period expires, the share capital will increase with the value of paid-up shares (Romanian State contribution in kind being already considered to be completed);
- If the Fund will not subscribe, the unsubscribed shares will be cancelled and Fondul Proprietatea's holding will be diluted to 0.73%.

Fondul Proprietatea already expressed its opinion strongly disputing the fundamentally flawed land valuation report, as the land valuation report carried out in 2021 attributes a very high value to the land, despite a previously approved valuation report from 2017, which had set the value of the same land at RON 269 million.

Fondul Proprietatea commenced court proceedings for the annulment of the shareholders resolutions asking the court to suspend the entire process till the claim for annulment case is irrevocably closed, to protect the interest of the Fund and its shareholders.

Following the hearing that took place on 13 January 2022, the Bucharest Court of Appeal admitted the request of suspension filed by the Fund and ordered the suspension of the effects of the increase until the claim for the annulment of the CN Aeroporturi Bucuresti GSM is irrevocably settled.

Considering the above, the dilution risk was assessed as not significant and thus no additional adjustments were applied to the valuation of the company.

The Fund will continue to update its shareholders regarding the share capital increase process. The duration of court cases in Romania is not predictable. However, the Fund will use all legal available means to have a solution for this issue as soon as possible.

19. Related parties**(a) Key management***(i) Board of Nominees ("BON")*

	3 months ended 31 March 2022	3 months ended 31 March 2021
Total Fund's cost with BON remuneration, <i>out of which</i> :	289,476	361,845
- Net remuneration paid to BON members	214,938	311,227
- Related taxes and contributions payable to State Budget	74,538	50,618
Other costs incurred by the Fund in relation with the members of the Board of Nominees comprised:		
	3 months ended 31 March 2022	3 months ended 31 March 2021
Professional insurance costs	87,502	97,911
Other costs (accommodation, transport, meals etc)	16,318	-
	103,820	97,911

There were no loans between the Fund and the members of the Board of Nominees neither in the first quarter of 2022 nor in the first quarter of 2021.

There are no post-employment, long term or termination benefits related to the remuneration of the members of the Board of Nominees.

**CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2022**

(all amounts are in RON unless otherwise stated)

19. Related parties (continued)**(a) Key management (continued)***(ii) Sole Director and Investment Manager*

FTIS is the Sole Director and Alternative Investment Fund Manager of the Fund starting with 1 April 2016. Starting 1 December 2020, the portfolio management and the administrative activities previously delegated to Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch are performed by FTIS through its Bucharest Branch.

The transactions carried out between the Fund and FTIS Luxemburg were the following:

Transactions	3 months ended 31 March 2022	3 months ended 31 March 2021
Administration fees	21,229,259	17,406,100

The transactions carried out between the Fund and FTIS Bucharest Branch were the following:

Transactions	3 months ended 31 March 2022	3 months ended 31 March 2021
Rent expense charged to the Fund	21,018	22,503
Operating cost charged to the Fund	6,767	6,737
	27,785	29,240

During the first quarter of 2022, the Fund recorded RON 12,146 representing expenses incurred by FTIS Bucharest Branch on its behalf.

During the first quarter of 2021, the Fund recorded RON 30,817 representing expenses incurred by FTIS Bucharest Branch on its behalf.

These expenses were primarily related to expenses in the interest of protecting and promoting the image of the Fund and its securities (investor relations). The recharge of these expenses to the Fund followed the provisions of the management agreement in place at the respective moment and was subject to Board of Nominees' approval.

The outstanding liabilities owed by the Fund were as follows:

Amounts due to:	31 March 2022	31 December 2021
FTIS Luxemburg	24,757,616	22,780,953
FTIS Bucharest Branch	-	251,935
	24,757,616	23,032,888

There are no other elements of compensation for key management besides those described above.

(b) Subsidiaries

The Fund had the following subsidiaries, all of which are incorporated in Romania:

Ownership interest	31 March 2022	31 December 2021
Zirom SA	100%	100%
Alcom SA	72%	72%
Comsig SA	70%	70%

CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2022

(all amounts are in RON unless otherwise stated)

19. Related parties (continued)**(b) Subsidiaries (continued)**

As at 31 March 2022 and 31 December 2021, Comsig SA was in administrative liquidation process, which is still ongoing at the date of these condensed interim financial statements. In April 2021, the Fund received from Comsig SA as liquidation proceeds an amount of RON 62,154. Until the date of these condensed interim financial statements, Comsig SA was not deregistered from Trade Registry.

The fair value of investments in subsidiaries is presented in the table below:

	31 March 2022	31 December 2021
Zirom SA	26,156,500	26,156,500
Alcom SA	9,453,631	9,453,631
Comsig SA	-	-
	35,610,131	35,610,131

As at 31 March 2022 and 31 December 2021, the Fund had no commitment to provide financial or other support to its subsidiaries, including commitments to assist the subsidiaries in obtaining financial support.

(c) Associates

As 31 March 2022 and 31 December 2021 the Fund had two associates, both incorporated in Romania:

	31 March 2022	31 December 2021
Ownership interest		
Societatea Nationala a Sarii SA	49%	49%
Plafar SA	49%	49%

The Fund did not carry out any transaction with its associates in the first quarter of 2022 or in the first quarter of 2021.

As at 31 March 2022 there was a balance due by Societatea Nationala a Sarii SA to the Fund amounted RON 7,618 (31 December 2021: RON 7,519) which comprised the outstanding dividend receivable distributed in 2018 of RON 6,378 (31 December 2021: RON 6,378) and the penalties for delay payment of dividends of RON 1,240 (31 December 2021: RON 1,142). As at 31 March 2022 and 31 December 2021, this outstanding balance due by Societatea Nationala a Sarii SA to the Fund was fully impaired. In April 2022, Societatea Nationala a Sarii SA paid to the Fund the entire outstanding balance.

20. Subsequent events**Resolutions adopted by shareholders during the 20 April 2022 General Shareholders' Meeting**

The main shareholders resolutions at the 20 April 2022 GSM were the following:

- the approval of the decrease of the subscribed and paid-up share capital of Fondul Proprietatea from RON 3,334,342,422.84 to RON 3,233,269,110.76 pursuant to the cancellation of 194,371,754 own shares acquired by Fondul Proprietatea during 2021;
- the approval of the continuation of the current mandate of Franklin Templeton International Services S.à r.l. as the alternative investment fund manager and sole director of Fondul Proprietatea;
- the approval of the Annual Activity Report of the Sole Director of the Fund for the financial year 2021, including the statutory financial statements for the year ended 31 December 2021 and the financial auditor's report;
- the approval of the Remuneration Report of Fondul Proprietatea for the financial year 2021;
- the appointment of Mr. Martin Bernstein as member of the Board of Nominees following the resignation of Mr. Mark Gitenstein on 18 December 2021; the mandate of the new member is valid for a period of three years and shall produce its effects starting with the mandate acceptance date;

CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2022

(all amounts are in RON unless otherwise stated)

20. Subsequent events (continued)

- the approval to cover, from other reserves, the negative reserves of RON 671,941,938 arising out of the cancellation on 28 October 2021 of the treasury shares acquired during 2020 through the eleventh buy-back programme;
- the approval of the allocation to other reserves of an amount of RON 230,576,693 from the 2021 net accounting profit to be used for covering the negative reserves estimated to arise from the cancellation of treasury shares acquired during 2021 through the twelfth buy-back programme;
- the approval of the net profit allocation registered for the financial year 2021 including the approval of the distribution of a gross dividend of RON 0.1250 per share from the 2021 net accounting profit (the payment date is 27 June 2022);
- the approval of the additional fees amounting to EUR 17,550 payable to Deloitte Audit S.R.L., as the financial auditor of Fondul Proprietatea.

Hidroelectrica SA dividends

On 28 April 2022, the shareholders of the company approved the distribution of RON 2.83 billion as annual dividends from 2021 net profit and RON 1.0 billion as special dividends from retain earnings. The total amounts corresponding to the Fund is RON 764 million. The deadline for the payment by Hidroelectrica SA to shareholders of the annual dividend is 27 June 2022, while the deadline for the payment of the special dividend is 30 September 2022.

Changes in the Board of Nominees composition

Starting with 27 April 2022, the composition of the Board of Nominees changed considering the start of the new mandate as member of Board of Nominees of Mr. Martin Bernstein and the current composition is:

- Ilinca von Derenthall – Chairperson of the Board of Nominees;
- Ciprian Ladunca – Member of the Board of Nominees and Chairperson of Audit and Valuation Committee;
- Nicholas Paris – Member of the Board of Nominees and Chairperson of Nomination and Remuneration Committee;
- Martin Bernstein – Member of the Board of Nominees;
- Ömer Tetik – Member of the Board of Nominees.

Starting with 10 May 2022, the new membership of the Fund's Consultative Committees is:

The Audit and Valuation Committee consists of:

- Mr. Ciprian LĂDUNCĂ – Chairperson;
- Mr. Martin BERNSTEIN – Member;
- Mr. Nicholas PARIS – Member.

The Nomination and Remuneration Committee consists of:

- Mr. Nicholas PARIS – Chairperson;
- Mr. Martin BERNSTEIN – Member;
- Mrs. Ilinca von DERENTHALL – Member.

Approval of the public tender offer in relation to the acceleration of the buy-back programme

On 11 May 2022, FSA approved the Fund's application for the public tender offer in relation to the acceleration of the ongoing buy-back programme.

Under this Tender Offer the Fund intend to repurchase up to 325,000,000 shares in the form of shares and/or GDRs at a purchase price of RON 2.19 per share and the USD equivalent of RON 109.50 per GDR, computed in accordance with the terms and conditions of the tender offer documentation. The subscription period is from 18 May 2022 to 24 June 2022.

Annex 2

Statement of Assets and Obligations of Fondul Proprietatea SA as at 31 March 2022, prepared in accordance with FSA Regulation nr. 7/2020 (Annex no. 11)

Item	31 December 2021				31 March 2022				Differences
	% of the net asset	% of the total asset	Currency	Total RON	% of the net asset	% of the total asset	Currency	Total RON	RON
I. Total assets	103.3853%	100.0000%		13,693,013,395.43	100.7956%	100.0000%		14,651,582,105.86	958,568,710.43
1 Securities and money market instruments, out of which:	16.8980%	16.3445%		2,238,073,515.26	8.1981%	8.1336%		1,191,683,191.32	(1,046,390,323.94)
1.1 securities and money market instruments admitted or traded on a regulated market from Romania, out of which:	16.8980%	16.3445%		2,238,073,515.26	8.1981%	8.1336%		1,191,683,191.32	(1,046,390,323.94)
1.1.1 listed shares traded in the last 30 trading days	16.2384%	15.7066%	-	2,150,714,639.02	6.5572%	6.5055%	-	953,150,647.13	(1,197,563,991.89)
1.1.2 listed shares not traded in the last 30 trading days	0.0774%	0.0748%	-	10,252,347.13	0.0705%	0.0700%	-	10,252,347.13	-
1.1.3 other similar securities	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.1.4 bonds	0.5822%	0.5631%	-	77,106,529.11	1.5704%	1.5581%	-	228,280,197.06	151,173,667.95
1.1.5 other title debts	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.1.6 other securities	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.1.7 money market instruments	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.1.8 allotment rights admitted at trading	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.2 Securities and money market instruments admitted or traded on a regulated market from a member state, out of which:	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
1.2.1 listed shares traded in the last 30 trading days	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.2.2 listed shares not traded in the last 30 trading days	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.2.3 other similar securities	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.2.4 bonds	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.2.5 other title debts	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.2.6 other securities	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.2.7 money market instruments	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.2.8 allotment rights admitted at trading	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.3 Securities and money market instruments admitted on a stock exchange from a state not a member or negotiates on another regulated market from a state not a member, that operates on a regular basis and is recognized and opened to the public, approved by the Financial Supervisory Authority (FSA), out of which:	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
1.3.1 listed shares traded in the last 30 trading days	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.3.2 listed shares not traded in the last 30 trading days	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.3.3 other similar securities	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.3.4 bonds	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.3.5 other title debts	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.3.6 other securities	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.3.7 money market instruments	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
1.3.8 allotment rights admitted at trading	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
2 New issued securities	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
3 Other securities and money market instruments mentioned in art. 83 paragraph (1) letter a) of the O.U.G. no. 32 / 2012 of which:	83.3471%	80.6180%		11,039,028,581.11	85.5498%	84.8747%		12,435,476,426.36	1,396,447,845.25
- shares not admitted at trading	83.3471%	80.6180%	-	11,039,028,581.11	85.5498%	84.8747%	-	12,435,476,426.36	1,396,447,845.25
- redeemed debentures	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
- unlisted bonds	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
- allotment rights not admitted at trading	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
- rights not admitted at trading	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
- other financial instruments	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-

	Item	31 December 2021				31 March 2022				Differences
		% of the net asset	% of the total asset	Currency	Total RON	% of the net asset	% of the total asset	Currency	Total RON	RON
4	Bank deposits, out of which:	2.6228%	2.5370%		347,387,604.24	4.3765%	4.3421%		636,167,655.26	288,780,051.02
4.1	bank deposits made with credit institutions from Romania	2.6228%	2.5370%		347,387,604.24	4.3765%	4.3421%		636,167,655.26	288,780,051.02
	- in RON	2.6228%	2.5370%		347,387,604.24	4.3765%	4.3421%		636,167,655.26	288,780,051.02
4.2	bank deposits made with credit institutions from an EU state	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
4.3	Bank deposits made with credit institutions from a non-EU state	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
5	Derivatives financial instruments traded on a regulated market, out of which:	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
5.1	derivatives financial instruments traded on a regulated market from Romania (forward, futures and options, swaps, etc)	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
5.2	derivatives financial instruments traded on a regulated market from a EU state (forward, futures and options, swaps, etc)	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
5.3	derivatives financial instruments traded on a regulated market from a non-EU state (forward, futures and options, swaps, etc)	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
5.4	derivatives financial instruments traded on a regulated market (forward, futures and options, swaps, etc)	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
6	Current accounts and petty cash, out of which:	0.5150%	0.4982%		68,224,969.70	0.6035%	0.5987%		87,719,124.07	19,494,154.37
	- in RON	0.5150%	0.4982%	-	68,217,161.58	0.6035%	0.5987%	-	87,712,017.15	19,494,855.57
	- in EUR	0.0000%	0.0000%	EUR 728.90	3,606.67	0.0000%	0.0000%	EUR 516.01	2,552.50	(1,054.17)
	- in GBP	0.0000%	0.0000%	GBP 348.80	2,057.71	0.0000%	0.0000%	GBP 233.36	1,362.22	(695.49)
	- in USD	0.0000%	0.0000%	USD 490.48	2,143.74	0.0000%	0.0000%	USD 717.22	3,192.20	1,048.46
7	Money market instruments, other than those traded on a regulated market, according to art. 82 letter g) of the O.U.G. no. 32/2012, din care:	0.0000%	0.0000%		0.00	0.6426%	0.6376%		93,406,307.15	93,406,307.15
	-treasury bills with original maturities of less than 1 year	0.0000%	0.0000%		0.00	0.6426%	0.6376%		93,406,307.15	93,406,307.15
8	Participation titles of F.I.A./O.P.C.V.M.									
9	Dividends or other receivable rights	0.0000%	0.0000%		0.00	0.0000%	0.0000%		0.00	0.00
	- in RON	0.0000%	0.0000%		0.00	0.0000%	0.0000%		0.00	0.00
	- in EUR	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
	- in USD	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
10	Other assets out of which:	0.0024%	0.0023%		298,725.12	1.4251%	1.4133%		207,129,401.70	206,830,676.58
	- guarantee deposited to the broker for the buyback tender offer	0.0000%	0.0000%	-	-	1.4223%	1.4110%	-	206,737,895.00	206,737,895.00
	- receivables related to the cash contributions to the share capital increases performed by portfolio companies	0.0004%	0.0004%	-	54,000.00	0.0006%	0.0000%	-	54,000.00	-
	- receivables related to transactions under settlement	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
	- tax on dividends to be recovered from the State Budget	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
	- intangible assets	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
	- advance payments for intangible assets	0.0005%	0.0005%	-	53,682.69	0.0000%	0.0000%	-	-	(53,682.69)
	- other receivables	0.0000%	0.0000%	-	1,146.25	0.0001%	0.0001%	-	20,242.51	19,096.26
	- in RON	0.0000%	0.0000%	-	1,146.25	0.0001%	0.0001%	-	20,242.51	19,096.26
	- in EUR	0.0000%	0.0000%	-	-	0.0000%	0.0000%	EUR -	-	-
	- in USD	0.0000%	0.0000%	-	-	0.0000%	0.0000%	USD -	-	-
	- prepaid expenses	0.0014%	0.0014%	-	189,896.18	0.0022%	0.0022%	-	317,264.19	127,368.01

Fondul Proprietatea SA

	Item	31 December 2021				31 March 2022				Differences
		% of the net asset	% of the total asset	Currency	Total RON	% of the net asset	% of the total asset	Currency	Total RON	RON
II	Total liabilities	3.3852%	3.2745%		448,373,527.12	0.7957%	0.7893%		115,642,016.04	(332,731,511.08)
1	Liabilities in relation with the payments of fees due to the A.F.I.A.	0.1739%	0.1682%	-	23,032,887.84	0.1703%	0.1690%	-	24,757,616.26	1,724,728.42
	- in RON	0.0019%	0.0018%		251,934.52	0.0000%	0.0000%		0.00	(251,934.52)
	- in EUR	0.1720%	0.1664%	EUR 4,603,979.98	22,780,953.32	0.1703%	0.1690%	EUR 5,004,976.40	24,757,616.26	1,976,662.94
2	Liabilities related to the fees payable to the depositary bank	0.0004%	0.0004%	-	48,030.20	0.0002%	0.0002%	-	35,463.75	(12,566.45)
3	Liabilities related to the fees payable to intermediaries	0.0020%	0.0019%	-	262,242.00	0.0000%	0.0000%	-	0.00	(262,242.00)
	- in RON	0.0000%	0.0000%		0.00	0.0000%	0.0000%		0.00	-
	- in USD	0.0020%	0.0019%	USD 60,000.00	262,242.00	0.0000%	0.0000%	USD -	0.00	(262,242.00)
4	Liabilities related to commissions and other bank services	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
5	Interest payable	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
6	Issuance expense	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
7	Liabilities in relation with the fees/commissions to FSA	0.0071%	0.0069%	-	946,208.06	0.0073%	0.0073%	-	1,065,984.59	119,776.53
8	Audit fees	0.0006%	0.0006%	-	78,704.69	0.0000%	0.0000%	-	0.00	(78,704.69)
9	Other Liabilities, out of which:	3.1909%	3.0865%		422,633,236.90	0.6179%	0.6128%		89,782,951.44	(332,850,285.46)
	- short term credit facility	0.0000%	0.0000%	-	0.00	0.0000%	0.0000%	-	0.00	-
	- liabilities to the Fund's shareholders related to the dividend distribution	3.1665%	3.0628%	-	419,386,022.90	0.6133%	0.6083%	-	89,130,364.91	(330,255,657.99)
	- liabilities related to the return of capital	0.0002%	0.0002%	-	28,664.00	0.0002%	0.0002%	-	28,664.00	-
	- liabilities related to Government securities under settlement	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
	- provisions	0.0000%	0.0000%	-	-	0.0000%	0.0000%	-	-	-
	- remunerations and related contributions	0.0002%	0.0002%	-	26,162.00	0.0002%	0.0002%	-	24,846.00	(1,316.00)
	- VAT payable to State Budget	0.0000%	0.0000%	-	-	0.0001%	0.0001%	-	8,365.38	8,365.38
	- tax on dividends payable to State Budget	0.0170%	0.0165%	-	2,264,108.00	0.0025%	0.0025%	-	364,352.00	(1,899,756.00)
	- other liabilities out of which:	0.0070%	0.0068%	-	928,280.00	0.0016%	0.0015%	-	226,359.15	(701,920.85)
	- in RON	0.0070%	0.0068%	-	928,280.00	0.0013%	0.0012%	-	182,334.41	(745,945.59)
	- in EUR	0.0000%	0.0000%	-	-	0.0003%	0.0003%	EUR 8,900.00	44,024.74	44,024.74
	- in USD	0.0000%	0.0000%	-	-	0.0000%	0.0000%	USD -	-	-
	- in GBP	0.0000%	0.0000%	-	-	0.0000%	0.0000%	GBP -	-	-
10	Payables related to buybacks under settlement	0.0104%	0.0100%	-	1,372,217.43	0.0000%	0.0000%	-	0.00	(1,372,217.43)
III	Net Asset Value (I - II)	100.0000%	96.7255%		13,244,639,868.31	100.0000%	99.2107%		14,535,940,089.82	1,291,300,221.51

Unitary Net Asset Value

Item	31 March 2022	31 March 2021	Differences
Net Asset Value	14,535,940,089.81	10,850,776,178.39	3,685,163,911.42
Number of outstanding shares	6,194,326,989	5,972,966,238	221,360,751
Unitary net asset value	2.3466	1.8166	0.5300

DETAILED STATEMENT OF INVESTMENTS AS AT 31 MARCH 2022

1. Securities admitted or traded on a regulated market in Romania, out of which:

1.1 Listed shares traded in the last 30 trading days (working days)

Issuer	Symbol	Date of the last trading session	No of shares held	Nominal value	Share value	Total value	Stake in the issuer's capital	Stake in Fondul Proprietatea total assets	Stake in Fondul Proprietatea net asset	Valuation method
Alro Slatina SA	ALR	31-Mar-22	72,884,714	0.5	1.6200	118,073,236.68	10.21%	0.8059%	0.8123%	Closing price
IOR SA	IORB	31-Mar-22	2,622,273	0.1	0.1040	272,716.39	0.82%	0.0019%	0.0019%	Closing price
OMV Petrom SA	SNP	31-Mar-22	1,688,548,078	0.1	0.4700	793,617,596.66	2.98%	5.4166%	5.4597%	Closing price
Romaero SA	RORX	18-Mar-22	1,311,691	2.5	31.4000	41,187,097.40	18.87%	0.2811%	0.2833%	Closing price
Total						953,150,647.13		6.5055%	6.5572%	

1.2. Shares not traded in the last 30 trading days (working days)

Issuer	Symbol	Date of the last trading session	No of shares held	Nominal value	Share value	Total value	Stake in the issuer's capital	Stake in Fondul Proprietatea total assets	Stake in Fondul Proprietatea net asset	Valuation method
Alcom SA	ALCQ	10/Feb/2017	89,249	2.5	105.9242	9,453,628.93	71.89%	0.0645%	0.0650%	Value based on the valuation report as at 31 October 2021 (applying the income approach using the discounted cash flow method)
Mecon SA	MECP	30/Jun/2021	60,054	11.6	13.3000	798,718.20	12.51%	0.0055%	0.0055%	Fair value (Last trading price)
Total						10,252,347.13		0.0700%	0.0705%	

1.3. Shares not traded in the last 30 trading days (working days) for which the financial statements are not obtained within 90 days from the legal filing dates

Not the case

1.4. Allocation rights admitted to trading

Not the case

1.5. Preferred rights admitted to trading

Not the case

1.6. Bonds admitted to trading issued or guaranteed by local government authorities / corporate bonds

Not the case

1.7. Bonds admitted to trading issued or guaranteed by central government authorities

ISIN code	Date of the last trading session	No. of instruments	Date of acquisition	Coupon date	Due Date	Initial Value	Daily interest	Cumulated interest	Cumulated discount/premium	Market price / Reference composite price	Current value	Stake in total bonds issue	Stake in Fondul Proprietatea total assets	Stake in Fondul Proprietatea net asset	Valuation method
ROGRXAE5BEO2	24-Mar-21	15,000	27-Jan-22	08-Aug-22	08-Aug-22	75,000,000.00	8,219.18	1,939,726.03	0.00	99.7815%	76,775,851.03	0.6881%	0.5240%	0.5282%	Fair value (reference composite price published by Markit, including the cumulated interest)
ROGRXAE5BEO2	24-Mar-21	20,000	02-Mar-22	08-Aug-22	08-Aug-22	100,000,000.00	10,958.90	2,586,301.37	0.00	99.7815%	102,367,801.37	0.9175%	0.6987%	0.7042%	
ROGRXAE5BEO2	24-Mar-21	9,600	04-Mar-22	08-Aug-22	08-Aug-22	48,000,000.00	5,260.27	1,241,424.66	0.00	99.7815%	49,136,544.66	0.4404%	0.3354%	0.3380%	
Total								5,767,452.06			228,280,197.06		1.5581%	1.5704%	

1.8. Other securities admitted to trading on a regulated market

Not the case

1.9. Amounts under settlement related to the securities admitted or traded on a regulated market in Romania

Not the case

2. Securities admitted or traded on a regulated market from a member state of EU, out of which:

2.1. Shares traded in the last 30 trading days (working days)

Not the case

2.2. Bonds admitted to trading issued or guaranteed by local public administration authorities, corporate bonds

Not the case

2.3. Bonds admitted to trading issued or guaranteed by central government authorities

Not the case

2.4. Other securities admitted to trading on a regulated market in other EU member state

Not the case

2.5. Amounts being settled for securities admitted to or traded on a regulated market in other EU member state

Not the case

3. Securities admitted or traded on a regulated market from a non-member state of EU

3.1. Shares traded in the last 30 trading days (working days)

Not the case

3.2. Issued bonds admitted to trading or guaranteed by local government authorities, corporate bonds traded in the last 30 days (working days)

Not the case

3.3. Other securities admitted to trading on a regulated market in a non-member state of EU

Not the case

3.4. Amounts being settled for securities admitted to or traded on a regulated market in a non-member state of EU

Not the case

4. Money market instruments traded or listed on regulated markets in Romania

Not the case

Amounts being settled for money market instruments admitted or traded on a regulated market in Romania

Not the case

5. Money market instruments traded or listed on regulated markets from other EU member state

Not the case

Amounts under settlement related to money market instruments admitted or traded on a regulated market in another EU Member State

Not the case

6. Money market instruments traded or listed on regulated markets from a non-member state of EU

Not the case

Amounts under settlement related to money market instruments admitted or traded on a regulated market in a non-EU Member State

Not the case

Fondul Proprietatea SA

7. Newly issued securities

7.1. Newly issued shares

Not the case

7.2. Newly issued bonds

Not the case

7.3. Preferential rights (after registration with the Central Depository, prior to admission to trading)

Not the case

8. Other securities and money market instruments mentioned in art. 83 paragraph (1) letter a) of the O.U.G. no. 32/2012

8.1 Other securities mentioned in art. 83 paragraph (1) letter a) of the O.U.G. no. 32/2012

8.1.1. Shares not admitted to trading

Issuer	No. of shares held	Nominal value	Share value	Total value	Stake in the issuer's capital %	Stake in Fondul Proprietatea total assets	Stake in Fondul Proprietatea net asset	Company status	Valuation method
Aeroportul International Mihail Kogalniceanu - Constanta SA	23,159	10	72.5290	1,679,699.11	20.00%	0.0115%	0.0116%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the income approach using the discounted cash flow method)
Aeroportul International Timisoara - Traian Vuia SA	32,016	10	174.9125	5,599,998.60	20.00%	0.0382%	0.0385%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the income approach using the discounted cash flow method)
CN Administratia Canalelor Navigabile SA	203,160	10	77.9249	15,831,222.68	20.00%	0.1081%	0.1089%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the market comparison technique using comparable trading multiples for EBITDA)
CN Administratia Porturilor Dunarii Fluviale SA	27,554	10	132.7966	3,659,077.52	20.00%	0.0250%	0.0252%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the market comparison technique using comparable trading multiples for EBITDA)
CN Administratia Porturilor Dunarii Maritime SA	21,237	10	190.1067	4,037,295.99	20.00%	0.0276%	0.0278%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the market comparison technique using comparable trading multiples for EBITDA)
CN Administratia Porturilor Maritime SA	2,658,128	10	110.7546	294,399,903.39	19.99%	2.0093%	2.0253%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the income approach using the discounted cash flow method)
CN Aeroporturi Bucuresti SA	2,875,443	10	234.4682	674,199,944.41	20.00%	4.6016%	4.6382%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the income approach using the discounted cash flow method)
Complexul Energetic Oltenia SA	5,828,033	10	0.0000	0.00	21.55%	0.0000%	0.0000%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (valued at zero due to negative EBIT and high net debt)
Comsig SA	75,655	2.5	0.0000	0.00	69.94%	0.0000%	0.0000%	Administrative liquidation	Priced at zero
E-Distributie Banat SA	9,220,644	10	26.5816	245,099,470.55	24.12%	1.6729%	1.6862%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the market comparison technique using comparable trading multiples for EBITDA)
E-Distributie Dobrogea SA	6,753,127	10	27.2466	183,999,750.12	24.09%	1.2558%	1.2658%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the market comparison technique using comparable trading multiples for EBITDA)
E-Distributie Muntenia SA	3,256,396	10	63.4750	206,699,736.10	12.00%	1.4108%	1.4220%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the market comparison technique using comparable trading multiples for EBITDA)
Enel Energie Muntenia SA	444,054	10	74.5404	33,099,962.78	12.00%	0.2259%	0.2277%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the market comparison technique using comparable trading multiples for EBITDA)
Enel Energie SA	1,680,000	10	36.3690	61,099,920.00	12.00%	0.4170%	0.4203%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the market comparison technique using comparable trading multiples for EBITDA)
Engie Romania SA	2,390,698	10	218.6390	522,699,820.02	11.99%	3.5675%	3.5959%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the market comparison technique using comparable trading multiples for EBITDA)
Gerovital Cosmetics SA	1,350,988	0.1	0.0000	0.00	9.76%	0.0000%	0.0000%	Bankruptcy	Priced at zero

Fondul Proprietatea SA

Issuer	No. of shares held	Nominal value	Share value	Total value	Stake in the issuer's capital %	Stake in Fondul Proprietatea total assets	Stake in Fondul Proprietatea net asset	Company status	Valuation method
Hidroelectrica SA	89,437,916	10	110.9646	9,924,442,573.77	19.94%	67.7363%	68.2752%	Unlisted companies, in function	Value based on the valuation report as at 31 December 2021 (applying the market comparison technique using comparable trading multiples for EBITDA) updated with the most recent DLOM estimated based on the shareholders' approval for the listing of the company on the stock exchange
Plafar SA	132,784	10	16.3634	2,172,797.71	48.99%	0.0148%	0.0149%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the income approach using the discounted cash flow method)
Posta Romana SA	14,871,947	1	0.9346	13,899,321.67	6.48%	0.0949%	0.0956%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the market comparison technique using comparable trading multiples for Price/Earnings)
Romplumb SA	1,595,520	2.5	0.0000	0.00	33.26%	0.0000%	0.0000%	Bankruptcy	Priced at zero
Salubriserv SA	43,263	2.5	0.0000	0.00	17.48%	0.0000%	0.0000%	Bankruptcy	Priced at zero
Simtex SA	132,859	2.5	0.0000	0.00	30.00%	0.0000%	0.0000%	Judicial reorganisation	Priced at zero
Societatea Nationala a Sarii SA	2,011,456	10	107.7329	216,699,988.10	48.99%	1.4790%	1.4908%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the income approach using the discounted cash flow method)
World Trade Center Bucuresti SA	198,860	78.8	0.0000	0.00	19.90%	0.0000%	0.0000%	Insolvency	Priced at zero
Zirom SA	7,542,083	10	3.4680	26,155,943.84	100.00%	0.1785%	0.1799%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2021 (applying the income approach using the discounted cash flow method)
Total				12,435,476,426.36		84.8747%	85.5498%		

8.1.2. Shares traded under systems other than regulated markets

Not the case

8.1.3. Unlisted shares valued at zero value (no updated financial statements submitted to the Trade Register)

Issuer	No of shares held	Nominal value	Share value	Total value	Stake in the issuer's capital	Stake in Fondul Proprietatea total assets	Stake in Fondul Proprietatea net asset
World Trade Hotel SA	17,912	1	0.0000	0.00	19.90%	0.0000%	0.0000%
Total				0.00		0.0000%	0.0000%

8.1.4. Bonds not admitted to trading

Not the case

8.1.5. Amounts being settled for shares traded on systems other than regulated markets

Not the case

8.2. Other money market instruments mentioned in art. 83 paragraph (1) letter a) of the O.U.G. no. 32/2012

Commercial papers

Not the case

9. Available cash in the current accounts and petty cash

9.1. Available cash in the current accounts and petty cash in RON

Bank	Current value	Stake in Fondul Proprietatea total assets	Stake in Fondul Proprietatea net asset
BRD Groupe Societe Generale*	87,645,242.18	0.5982%	0.6030%
Banca Comerciala Romana	51,911.50	0.0004%	0.0004%
CITI Bank	956.84	0.0000%	0.0000%
ING BANK	12,466.42	0.0001%	0.0001%
Raiffeisen Bank	637.40	0.0000%	0.0000%
Unicredit Tiriac Bank	338.65	0.0000%	0.0000%
Petty cash	464.16	0.0000%	0.0000%
Total	87,712,017.15	0.5987%	0.6035%

*The amount held with BRD Groupe Societe Generale represents cash held in the distributions bank accounts which can only be used for payments to shareholders.

9.2. Available cash in the current accounts and petty cash in foreign currency

Bank	Currency	Current value	NBR exchange rate	Current value (in RON)	Stake in Fondul Proprietatea total assets	Stake in Fondul Proprietatea net asset
BRD Groupe Societe Generale	EUR	516.01	4.9466	2,552.50	0.0000%	0.0000%
BRD Groupe Societe Generale	GBP	233.36	5.8374	1,362.22	0.0000%	0.0000%
BRD Groupe Societe Generale	USD	717.22	4.4508	3,192.20	0.0000%	0.0000%
Total				7,106.92	0.0000%	0.0000%

10. Bank deposits by categories: within credit institutions from Romania / EU Member States / non-member EU states

Bank deposits in RON

Name of the bank	Starting date	Maturity date	Initial value	Daily interest	Cumulative interest	Current value (RON)	Stake in Fondul Proprietatea total asset	Stake in Fondul Proprietatea net asset	Valuation method
ING BANK	24-Mar-22	07-Apr-22	118,400,000.00	14,800.00	118,400.00	118,518,400.00	0.8089%	0.8153%	Bank deposit value cumulated with the daily related interest for the period from starting date
Banca Comerciala Romana	28-Mar-22	04-Apr-22	111,700,000.00	10,704.58	42,818.33	111,742,818.33	0.7627%	0.7687%	
Unicredit Tiriac Bank	29-Mar-22	12-Apr-22	137,500,000.00	12,986.11	38,958.33	137,538,958.33	0.9387%	0.9462%	
CITI Bank	30-Mar-22	20-Apr-22	70,000,000.00	7,875.00	15,750.00	70,015,750.00	0.4779%	0.4817%	
ING BANK	30-Mar-22	20-Apr-22	70,000,000.00	8,750.00	17,500.00	70,017,500.00	0.4779%	0.4817%	
BRD Groupe Societe Generale	31-Mar-22	01-Apr-22	10,322,060.10	860.17	860.17	10,322,920.27	0.0705%	0.0710%	
BRD Groupe Societe Generale	31-Mar-22	01-Apr-22	118,000,000.00	11,308.33	11,308.33	118,011,308.33	0.8055%	0.8119%	
Total			635,922,060.10		245,595.16	636,167,655.26	4.3421%	4.3765%	

11. Derivative financial instruments traded on a regulated market

11.1. Future contracts

Not the case

11.2. Options

Not the case

11.3. Amounts under settlement for derivative financial instruments traded on a regulated market

Not the case

12. Derivative financial instruments traded outside of the regulated markets

12.1. Forward contract

Not the case

12.2. Swap contract

Not the case

12.3. Contracts for differences

Not the case

12.4. Other derivative contracts regarding securities, currencies, interest or profitability rates or other derivative instruments, financial indices or financial indicators / other derivative contracts regarding goods to be settled in cash or which may be settled in cash at the request of one of the parties

Not the case

13. Money market instruments, other than those traded on a regulated market, according with art. 82 letter g) of the O.U.G. no. 32/2012

Treasury bills

Series and number of the issue	No. of instruments	Date of acquisition	Maturity date	Initial value	Daily interest	Cumulative interest	Current value (RON)	Intermediary bank	Stake in Fondul Proprietatea total asset	Stake in Fondul Proprietatea net asset	Valuation method
RO30O8PB3J26	15,000	27-Jan-22	25-Apr-22	74,418,297.00	6,925.04	415,502.15	74,833,799.1500	ING BANK	0.5108%	0.5148%	Acquisition price cumulated with the related interest since the acquisition date
RO30O8PB3J26	3,725	09-Mar-22	25-Apr-22	18,526,577.49	2,187.17	45,930.51	18,572,508.0000	ING BANK	0.1268%	0.1278%	
Total							93,406,307.15		0.6376%	0.6426%	

14. Participation titles in the O.P.C.V.M. / AOPC

14.1. Participation titles denominated in RON

Not the case

14.2. Participation titles denominated in foreign currency

Not the case

14.3. Amounts under settlement regarding participation titles denominated in RON

Not the case

14.4. Amounts under settlement regarding participation titles denominated in foreign currency

Not the case

Fondul Proprietatea SA

15. Dividends or other receivable rights

15.1. Dividends receivable

Not the case

15.2. Shares distributed without cash consideration

Not the case

15.3. Shares distributed with cash consideration

Not the case

15.4. The amount to be paid for shares distributed in exchange of cash consideration

Not the case

15.5. Preference rights (before admission to trading and after the trading period)

Not the case

Evolution of the net asset and the net asset unitary value in the last 3 years

Item	31 December 2020	31 December 2021	31 March 2022
Net Asset	10,266,911,904.10	13,244,639,868.31	14,535,940,089.81
NAV/share	1.6974	2.2624	2.3466

Leverage of Fondul Proprietatea

Method type	Leverage level	Exposure amount
a) Gross method	93.75%	13,627,166,724.60
b) Commitment method	100.00%	14,535,940,089.81

Franklin Templeton International Services S.à r.l acting in its capacity of alternative investment fund manager of Fondul Proprietatea SA

Johan Meyer
Permanent representative

BRD Groupe Societe Generale

Victor Strâmbei
Manager Depository Department



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