

Fondul Proprietatea SA

**Quarterly Report for the
quarter ended 30 September 2024**



This is a translation from the official Romanian version.

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- Annex 2** Statement of Assets and Obligations of Fondul Proprietatea SA as at 30 September 2024, prepared in accordance with FSA Regulation no. 7/2020 (Annex no. 11)

List of Abbreviations

Accounting Directive	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC, with subsequent amendments
AIF	Alternative Investment Fund
AIF Law	Romanian Law no. 243/2019 on the regulation of alternative investment funds and amending and supplementing certain normative acts
AIF Regulation	Regulation no. 7/2020 on the authorisation and functioning of alternative investment funds, issued by the Financial Supervisory Authority
AIFM	Alternative Investment Fund Manager
AIFM Directive	Directive 2011/61/EU on Alternative Investment Fund Managers
ATS	Alternative Trading System
BNYM	The Bank of New York Mellon
BoN	Board of Nominees of Fondul Proprietatea SA
BVB	Bucharest Stock Exchange
CAEN	Classification of Economic Activities in Romania
CEAM	Centralised Electricity Acquisition Mechanism
CE Oltenia	Complexul Energetic Oltenia SA
CIIF	Certification of Registration of Financial Instruments
CSRD	Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting
Depository Bank/ Depository	BRD – Groupe Societe Generale SA
Depozitarul Central SA	Romanian Central Depository
Deutsche Numis	Numis Securities Limited, member of Deutsche Bank Group
EGM	Extraordinary General Shareholders Meeting
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/ AIFM/ Sole Director/ Fund Manager	Franklin Templeton International Services S.à r.l.
GDP	Gross Domestic Product
GDR	Global Depositary Receipt
GEO	Government Emergency Ordinance
GEO no. 27/2023	GEO no. 27/2023 regarding amendments of some normative acts in the energy field, as well as for the establishment of some exemptions
GEO no. 32/2024	GEO no. 32/2024 for the amendment and completion of GEO no. 27/2022 regarding measures applicable to final customers in the electricity and natural gas market during the period 1 April 2022 – 31 March 2023, as well as for the amendment and completion of certain legal acts in the energy sector and adopting certain measures in the energy sector

GEO no. 71/2024	GEO no. 71/2024 for the amendment and completion of certain legal acts as well as for setting up measures against aggressive publicity and communication techniques used by entities not included in the FSA Register
GRI	Global Reporting Initiative
GSM	General Shareholders Meeting
H1/ H2	First semester/ second semester of the year
IFRS	International Financial Reporting Standards as endorsed by the European Union
INS	Romanian National Institute of Statistics
IMF	International Monetary Fund
IPO	Initial Public Offering
IPS	Investment Policy Statement
Law no. 24/2017	Law no. 24/2017 on issuers of financial instruments and market operations
LSE	London Stock Exchange
NAV	Net Asset Value
NBR	National Bank of Romania
Norm no. 39/ 2015	FSA Norm no. 39/ 2015 regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorised, regulated, and supervised by the FSA – Financial Investments and Instruments Sector and to the Fund for Investor Compensation
Norm no. 4/2024	FSA Norm 4/2024 for amending Norm no. 39/ 2015
OGM	Ordinary General Shareholders Meeting
Order no. 85/2024	Ministry of Finance Order no. 85/2024 for the regulation of sustainability reporting issues
Q1/ Q2/ Q3/ Q4	First/ second/ third/ fourth quarter of the year
REGS	Main market (Regular) of Bucharest Stock Exchange
Salrom	Societatea Nationala a Sarii SA
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
Taxonomy Regulation	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088
Y.O.Y.	Year-over-year
9M	Nine-month period
9M 2024	Nine-month period ended 30 September 2024

Activity of the Fund

The Fund

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

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

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

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

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

Since 25 January 2011, the Fund's shares have been listed on BVB. Since 29 April 2015, the Fund's GDRs issued by The Bank of New York Mellon as GDR Depositary, having the Fund's shares as support, have been listed on the Specialist Fund Market of LSE. For more details regarding the delisting process of the Fund's GDRs from LSE, please see section *Subsequent events*.

Share information

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

Management of the Fund

Franklin Templeton has been the Sole Director of the Fund starting 29 September 2010, with successive mandates of two or four years.

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

During the quarter ended 31 March 2024, the Fund was managed by FTIS as its Sole Director and AIFM under the AIFM Directive and local implementation regulations, based on the Management Agreement in force between 1 April 2022 – 31 March 2024. The portfolio management and the administrative activities are performed by FTIS via its Bucharest Branch.

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

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

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

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

The management agreement for the period 1 April 2024 – 31 March 2025, under substantially same terms as the previous Management Agreement and in line with the current IPS of the Fund, was approved by shareholders during 26 March 2024 GSM. The main change relates to the increase of the base fee rate from 0.45% in the Management Agreement until 31 March 2024 to 1.35% in the Management Agreement starting 1 April 2024. All the documentation related to the 26 March 2024 GSM is available on the Fund's website, section *Investor Relations - GSM Information*.

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

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

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

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

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

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

For further information regarding the shareholders decisions during 27 September 2024 GSM, please see section “GSM during the reporting period”.

Additional information on the selection process, as provided by the Board of Nominees, are included on the Fund’s website, in the sections:

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

Updates regarding the Board of Nominees

Following Mr. Martin Bernstein’s resignation from his positions held within the BoN and the Consultative Committees of Fondul Proprietatea which has become effective on 12 July 2024, starting with 13 July 2024, the composition of the BoN is the following:

- Mrs. Ilinca von Derenthall – Chairperson of the BoN;
- Mr. Ciprian Ladunca – member of the BoN;
- Mr. Nicholas Paris – member of the BoN (interim member of the BoN starting 7 April 2024);
- Mr. Marius-Alin Andries – member of the BoN.

Also, following decisions of the Board of Nominees, starting with 17 July 2024, the new membership of the Fund’s Consultative Committees is:

The Audit and Valuation Committee:

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

The Nomination and Remuneration Committee:

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

During the 27 September 2024 GSM the shareholders approved the appointment of Mrs. Ileana-Lacramioara Isarescu as member of the Board of Nominees for a period of 3 years, with the mandate starting on the date Mrs. Isarescu accepts this appointment.

During the same GSM, the candidates for the second vacant position did not obtain the statutory majority provided by the Fund’s Constitutive Act for being elected as member of the Board of Nominees and the seat remained vacant. As a result, starting with 27 September 2024, Mr. Nicholas Paris was appointed as interim member of the BoN until the next OGM summoned by the Sole Director, having on its agenda the appointment of a new board member.

For further details regarding the start of Mrs. Isarescu’s mandate as member of the BoN and the Fund’s GSM convened for 2/3 December 2024, please see section *Subsequent events*.

Shareholder structure

Shareholder structure as at 30 September 2024

Shareholder categories ¹	% of subscribed and paid-up share capital	% of total voting rights	% of total exercisable voting rights ²
Treasury shares ³	9.61%	9.61%	-
Romanian private individuals	44.92%	44.92%	49.90%
Romanian institutional shareholders	20.25%	20.25%	22.50%
Romanian State represented by Ministry of Finance	10.42%	10.42%	11.57%
Foreign private individuals	5.28%	5.28%	5.87%
Foreign institutional shareholders	6.82%	6.82%	7.57%
The Bank of New York Mellon (GDRs) ⁴	2.70%	2.70%	2.58%

Source: Depozitarul Central SA

1. Information provided based on settlement date of transactions.

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

3. 341,826,888 treasury shares acquired in 2024 within the 15th buyback program (either in the form of shares and/or GDRs).

4. The shares underlying the GDRs issued by the BNYM are held in the name of BNYM and for the account of the GDRs holders. Out of BNYM holding, the GDRs held by Fondul Proprietatea were excluded, namely 269,544 GDRs (13,477,200 shares equivalent).

As at 30 September 2024, the Fund had 23,138 shareholders. The total number of voting rights was 3,556,427,239, out of which a total of 3,201,123,151 exercisable voting rights.

Ownership disclosures submitted by shareholders during the reporting period

According to Art. 71(1) of Law no. 24/2017, if a shareholder acquires or disposes of shares from an issuer listed on a regulated market, having attached voting rights, the shareholder must notify the issuer about the percentage of voting rights held following the acquisition or disposal in discussion, when the percentage reaches, exceeds or falls below one of the thresholds: 5%, 10%, 15%, 20%, 25%, 33%, 50% and 75%. As a result of this legal requirement, the Fund has received the ownership disclosures presented below during the nine-month reporting period ended 30 September 2024.

NN Private Pension Funds

On 4 September 2024¹, the Fund announced that Fondul de Pensii Facultative NN Activ, Fondul de Pensii Facultative NN Optim and Fondul de Pensii Administrat Privat NN have sent an aggregate disclosure of holdings under 5% of the total voting rights in the Fund. According to the disclosure, as of 30 August 2024 Fondul de Pensii Facultative NN Activ, Fondul de Pensii Facultative NN Optim and Fondul de Pensii Administrat Privat NN, by virtue of acting in concert, held a number of 172,723,045 voting rights, representing 4.98% of the total Fondul Proprietatea voting rights (3,470,123,151) excluding own shares that do not have voting rights (86,304,088), respectively out of 3,556,427,239 voting rights.

GDR facility

The GDR facility is limited to one-third of the Fund's subscribed share capital under the Romanian securities regulations, or 23,709,514 GDRs (1,185,475,700 shares equivalent) as at 30 September 2024, each GDR representing 50 shares. As at 30 September 2024, 96,138,500 of the Fund's issued shares were held by The Bank of New York Mellon, the GDR depositary bank, accounting for 1,922,770 GDRs, representing 8.1% of the GDR facility. For more information regarding the

¹ On 13 November 2024 the Sole Director published an erratum related to the current report released on 4 September 2024 – for more details please see the Fund's website, section *Investor Relations - Investor Reports*.

point included on 2/3 December 2024 GSM agenda in respect of delisting of the Fund's GDRs from London Stock Exchange, please see section *Subsequent events*.

Share capital information

	30 September 2024	31 December 2023	30 September 2023
Issued share capital (RON)	1,849,342,164.28	2,947,779,186.56	3,233,269,110.76
Paid in share capital (RON)	1,849,342,164.28	2,947,779,186.56	3,233,269,110.76
Number of shares in issue	3,556,427,239	5,668,806,128	6,217,825,213
Number of paid shares	3,556,427,239	5,668,806,128	6,217,825,213
Nominal value per share (RON)	0.52	0.52	0.52

Source: National Trade Registry

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

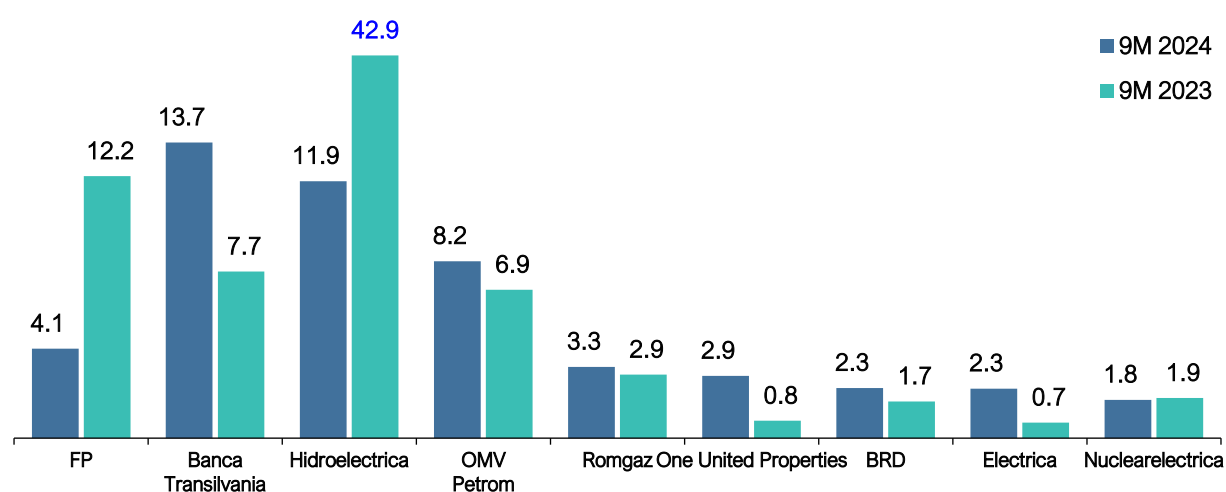
Capital markets

In the Q3 2024, the BVB's performance was the second weakest in both EUR and local currency terms compared to the largest markets in Central Europe:

% Change in Q3 2024	in local currency	in EUR
PX Index (Czech Republic)	+4.22%	+3.57%
BUX Index (Hungary)	+2.50%	+1.92%
ATX (Austria)	+1.26%	+1.26%
BET-XT (Romania)	-2.47%	-2.43%
WIG20 Index (Poland)	-9.26%	-8.63%

Source: Bloomberg

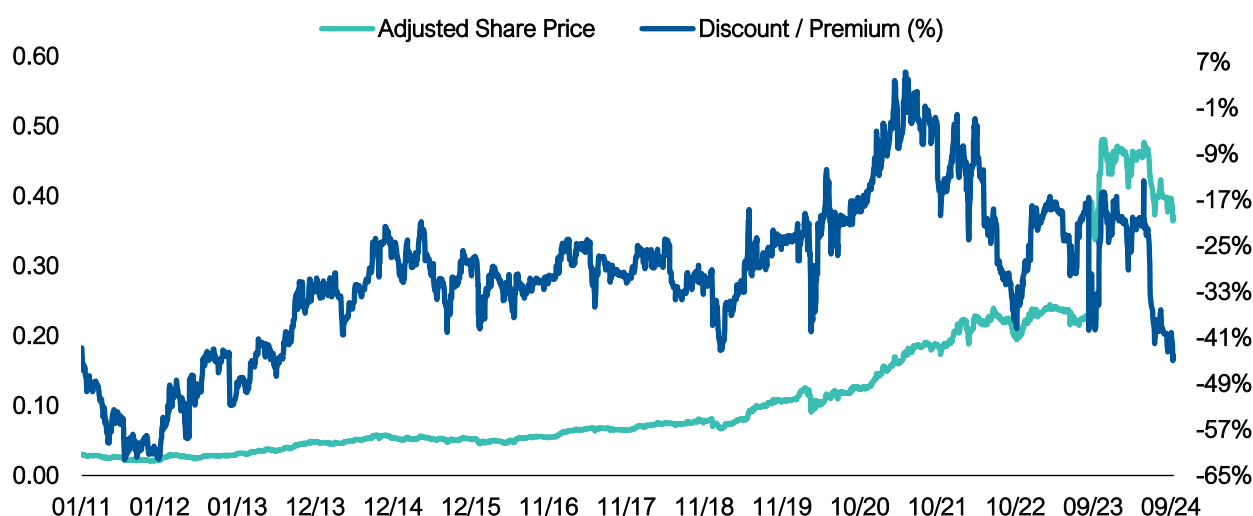
Average Daily Turnover (RON million)



Source: BVB, Bloomberg

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

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



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

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

Performance objectives

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

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

NAV Objective – interim monitoring

The Adjusted NAV per share as at 30 September 2024 was RON 0.7319 per share, 10.76% higher than the 31 December 2023 NAV per share of RON 0.6608.

¹ The adjusted NAV for a given date is calculated as the sum of: (i) the reported NAV as at the end of the Reporting Period; (ii) any distributions to shareholders, being either dividend or non-dividend ones (i.e. in the last case following reductions of the par value of the shares and distribution to the shareholders), implemented after the end of the previous Reporting Period, and (iii) any distribution fee and any transaction/ distribution costs relating to either dividend or non-dividend distributions including buy-backs of shares/ GDRs/ depositary 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.

NAV Objective	Amount RON	Details
Total NAV as at 30 Sep 2024	2,119,961,027	
Dividend distributions starting 1 Jan 2024	212,452,479	Gross dividend distribution of RON 0.06 per share approved on 30 Apr 2024 with Payment date 7 Jun 2024
Distribution fees for buy-backs starting 1 Jan 2024	3,782,682	Distribution fee for Buy-back programme no. 15
Distribution fees for dividend distributions performed starting 1 Jan 2024	3,716,275	Distribution fee for dividend distribution with Payment date 7 Jun 2024
Other costs related to buy-backs starting 1 Jan 2024	3,212,842	Fees related to buy-back programmes, excluding the distribution fees for buy-backs (mainly including the FSA fees for the tender offer)
Other costs related to dividends paid starting 1 Jan 2024	79,343	Central Depository and Paying Agent fees
Total Adjusted NAV as at 30 Sep 2024	2,343,204,648	
Number of paid shares, less treasury shares and GDRs held as at 30 Sep 2024	3,201,123,151	
Adjusted NAV per share as at 30 Sep 2024	0.7319	
NAV per share as at 31 Dec 2023	0.6608	
Difference	0.0711	
%	+10.76%	

Source: Sole Director calculations

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

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

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

For more details regarding the tender offer finalised in September 2024 and the regulatory changes impacting the Fund's buy-back programmes please see section *Buy-back programmes*.

Discount Objective – interim monitoring

During 9M 2024, the discount to NAV was above 15% in 99.5% of the trading days.

	Discount at 3 Jan 2024	Discount at 30 Sep 2024	Average Discount 3 Jan – 30 Sep 2024	Discount Range 3 Jan – 30 Sep 2024
FP share	-18.6%	44.2%	28.9%	min 13.7%/ max 45.0%
FP GDR	-20.0%	45.2%	29.0%	min 15.6%/ max 45.2%

Source: Sole Director calculations

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

The Fund's discount to NAV during the 9M period ended 30 September 2024 increased significantly. During this period new legislation was introduced limiting share buy-backs to 10% of share capital. Additionally, a significant shareholder requested new points to be added to the 27 September 2024 GSM agenda, including the preservation of the portfolio and the prohibition of further share buy-backs. These points were rejected by the majority of shareholders during the meetings in question. Furthermore, during the 9M period ended 30 September 2024 there has been a significant shift in the shareholder structure of the Fund from institutional investors to retail investors, which underlines the selling pressure which has led to the widening of the discount to NAV.

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

Investor relations

In the third quarter 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 one road-show in the United States and met with 6 investment firms 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 July - September period, we also participated to one investor conference in Bucharest, meeting with investment professionals from 8 asset managers and brokers.

On 30 August, we organised a conference call to present and discuss the Fund's first six months results. 16 analysts and investors participated to the call and received information regarding the financial results published on the same day.

Furthermore, during the third quarter of the year, we organised 7 conference calls and 1 in-person meeting with institutional investors and financial analysts covering Fondul Proprietatea, interested in the latest developments regarding the Fund's corporate actions, and its portfolio companies.

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

GSM during the reporting period

The full text of the resolutions adopted by shareholders during the 27 September GSM are published in the dedicated section of the Fund's website *Investor Relations – GSM Information*, while a summary of these is included below.

27 September 2024 GSM

Decisions adopted by shareholders during 27 September 2024 GSM of the Fund

During 27 September 2024 GSM of the Fund the shareholders approved the following points:

- approval of the amendment of Article 19 (3) of the Fund's Constitutive Act, mainly to extend the maximum mandate term of the AIFM to 4 years;
- approval of the amendment of Article 20 of the Fund's Constitutive Act, regarding appointment of the replacement for the permanent representative;
- approval of 2024 revised Budget of the Fund;

- appointment of Mrs. Ileana-Lacramioara Isaescu as member of the Board of Nominees of Fondul Proprietatea for a period of 3 years starting the date she accepts this appointment (the second seat remains vacant as the other candidates did not obtain the statutory majority provided by the Fund's Constitutive Act for being elected as member of the BoN);
- appointment of Ernst & Young Assurance Services SRL as the financial auditor of the Fund for the financial year ending 31 December 2025;
- approval of the selection criteria, as prepared and proposed by the BoN on the basis of the advice received by the BoN from Deutsche Numis, based on which the BoN shall select the AIFM of Fondul Proprietatea:
 - a. Established investment management entity operating to global standards in asset management, client servicing, compliance, financial reporting, investor relations, and risk management, and with experience and expertise in mandates invested in Romania and/or similar markets.
 - b. Proposal for Fondul Proprietatea's investment mandate which should predominantly be focused on continued investment in domestic entities, including state-owned enterprises, and which may involve further direct or indirect investment in unquoted entities.
 - c. Regulatory authorisation necessary to implement Fondul Proprietatea's investment mandate, specifically an AIFM authorised as an AIFM by the Romanian FSA or an EU-authorised AIFM with a credible basis for seeking a passport to operate in Romania.
 - d. Internal resources necessary to implement Fondul Proprietatea's investment mandate including operational capacity in Romania (or credible basis for establishing a Romanian office or credible proposal to put resources in place which may involve an outsourcing model).
 - e. Remuneration structure aligned with interests of shareholders as a whole in the long-term delivery of Fondul Proprietatea's investment mandate.
- appointment, following selection by the BoN, of Deutsche Numis as selection advisor assisting the Fund through the members of the BoN; Deutsche Numis shall provide services related to the selection of the potential AIFM, assisting the members of the BoN in drafting the request for proposals to be sent to potential candidates, selection and analysis of the offers received, project management of the selection process and assistance during negotiation of the new terms of the management agreement to be negotiated with the selected candidate(s).
- The approval of a maximum advisory budget of RON 3.8 million, including all applicable taxes and out-of-pocket expenses, to be used by the members of the BoN, for the payment of the services to be provided by Deutsche Numis, as well as for any other services related to the selection of an AIFM, including financial advisory services and legal services required for this purpose.
- approval of the authorisation of the Chairperson of the BoN (with authority to be substituted by another member of the BoN), with the signature of such person being binding upon and mandatory for the Fund, to take the following actions and to act in the name of and on behalf of the Fund (the "Authorisation"):
 - a. to select and appoint any advisors to assist the Fund and the BoN in relation to the AIFM selection process which has been commenced by the BoN following the OGM Resolution no. 9 of 25 September 2023;
 - b. to negotiate and agree in the name and on behalf of Fondul Proprietatea, any documents regarding the selection process; and

- c. to sign, execute and deliver all agreements with advisors, written instruments and all other documents, which are necessary, desirable and/or appropriate in order to fulfil the Authorisation granted hereby.
- approval of (i) the extension of the mandate of FTIS as the Sole Director of Fondul Proprietatea that acts also as the AIFM of Fondul Proprietatea, for a period of 1 year starting with 1 April 2025 and until 31 March 2026, inclusive and (ii) the corresponding extension of the terms of the management agreement executed between Fondul Proprietatea and FTIS on 29 March 2024 until 31 March 2026, inclusive, with all the other provisions of the Management Agreement remaining unchanged. The extended mandate and the corresponding addendum will enter into force only to the extent that by 31 March 2025 (a) the OGM does not appoint a new AIFM (who shall also act as Sole Director), pursuant to the AIFM selection process which has been commenced by the BoN following the OGM Resolution no. 9 of 25 September 2023 and (b) such appointment does not enter into force by 31 March 2025.

Request to supplement the convening notice of the 27 September 2024 GSM

On 29 August 2024 FTIS received from the shareholder Ministry of Finance, holding 6.53% of the Fund's share capital as at 31 July 2024, a request to supplement the agenda of the Fund's EGM and OGM convened for 27 September 2024 with the new items which are summarised below. The full text of the request from the shareholder Ministry of Finance is published on the Fund's website, section *Investor Relations – Investor Reports*.

All the items included on 27 September 2024 GSM agenda at the request of shareholder Ministry of Finance were rejected by shareholders.

- Starting with the date when this resolution of the EGM is published in the Official Gazette of Romania, Part IV, the empowerment given by the EGM resolution no. 1/13.02.2024 on the approval of the authorization of the Sole Director to buy-back shares of Fondul Proprietatea, GDRs or titles of interest corresponding to shares of Fondul Proprietatea, via trading on the regular market on which the shares, the GDRs or titles of interest corresponding to the shares of Fondul are listed or public tender offers, in compliance with the applicable law, for a maximum number of 1,000,000,000 shares, shall be amended as follows: during the time frame remained until the end of the mandate granted to FTIS, i.e. 31 March 2025, the Sole Director shall not be entitled to buy-back shares of Fondul Proprietatea, GDRs or titles of interest corresponding to shares of Fondul Proprietatea;
- Alternative to item 8 of the OGMS convening notice – Approval of the (i) extension of the empowerment of FTIS as Sole Director of Fondul Proprietatea, acting as AIFM of Fondul Proprietatea, for a period of 1 year from 1 April 2025 to 31 March 2026, inclusively and (ii) corresponding extension of the terms of the management agreement concluded between Fondul Proprietatea and FTIS on 29 March 2024, as approved by the OGM resolution no. 2 of 26 March 2024 until 31 March 2026, inclusively (with the corresponding amendments of the provisions on the term of the management agreement), according to the addendum to the management agreement in the form provided in the supporting documents, all the other provisions of the management agreement remaining unchanged. The extended mandate and the corresponding addendum shall enter into effect only to the extent that, by 31 March 2025 (a) the OGM does not appoint a new AIFM (also acting as Sole Director) according to the AIFM selection process initiated by the BoN following the OGM resolution no. 9 of 25 September 2023 and (b) such appointment shall not produce effects until 31 March 2025.

The extension of the mandate of FTIS for the management of Fondul Proprietatea is granted strictly subject to the compliance with the obligations below related to the management strategy, for the period 31 March – 31 March 2026, which will be fulfilled and carried out by the Sole Director:

- a) preservation of the current portfolio of Fondul Proprietatea, with the sale of the company's portfolio holdings being prohibited; any offers received for the sale of some of Fondul Proprietatea holdings will be analysed by the BoN and will be subject to OGM approval;
- b) prohibition of share buy-backs and the retention/ use of cash held by the company exclusively for the management of the current portfolio and/ or for investments, which will be approved in advance by the BoN.

ESG

Sustainable Finance Disclosure Regulation

Within the meaning of Article 6 of the SFDR, the sustainability risks were not deemed relevant for the investment decision process due to the Fund's unique initial set-up as well as the current applicable regulatory framework, that imposes numerous investment restrictions, hence limiting the investment decisions. Also, the Fund has limited ability to consider sustainability risks in its investment decisions unless there are amendments to the governing regulatory framework of the Fund, which cannot be reliably estimated at the date of this report.

Taxonomy Regulation

The investments underlying Fondul Proprietatea do not take into account the EU criteria for environmentally sustainable economic activities, including enabling or transitional activities, within the meaning of the Taxonomy Regulation.

Corporate Sustainability Reporting Directive

Based on the CSRD provisions as well as the related requirements transposed in national legislation, there is a specific exemption from the reporting requirements on sustainability information applicable in case of the Fund.

Macroeconomic environment

According to the IMF¹, the global inflation has largely been stabilised, even though price pressure continue in some countries. Also, despite the tightening of monetary policies around the world, the global economy has remained resilient throughout the disinflationary process, avoiding a global recession. The main risks for the following period include an escalation in regional conflicts, monetary policy remaining tight for too long, and potential volatility of financial markets.

Global GDP growth¹ is projected at 3.2% for both 2024 and 2025. For **Romania**, the **real GDP growth**¹ is estimated at 1.9% in 2024 and this is expected to increase to 3.3% in 2025.

IMF projections¹ forecast **global inflation** to fall from an annual average of 6.7% in 2023 to 5.8% in 2024 and 4.3% in 2025. According to Eurostat², the EU annual inflation rate was 1.7% in September 2024, down from 2.5% in June 2024. For Romania, according with National Statistics Institute³ the annual **inflation rate** in September 2024 was 4.6%.

According to the BVB⁴, the Romanian **capital market** increased by 14.6% in 9M 2024, taking into account the BET-XT index.

On 8 August 2024, the Board of the National Bank of Romania decided to decrease its key **monetary policy rate** by 0.25% to 6.50%, this representing the second drop since January 2023, after the decrease by 0.25% in July 2024.

¹ World Economic Outlook, October 2024, www.imf.org

² Eurostat – Euro Indicators Publication from 17 October 2024, www.ec.europa.eu/eurostat

³ National Institute of Statistics, Press Release no. 270/ 11 October 2024, www.insse.ro

⁴ BVB website - www.bvb.ro

The potential for further interest rates increases has significantly decreased and we expect inflationary pressure to be more subdued throughout the last quarter of 2024. With the appropriate combination of fiscal and economic policies, Romania once again has strong prospects to become one of the best performing economies in the European Union.

Regulatory updates

Minimum corporate tax

The fiscal requirements regarding the minimum corporate tax were published in the Official Gazette of Romania on 27 October 2023 and are in force starting 1 January 2024. Based on these provisions, a minimum corporate tax of 1% on adjusted turnover is implemented for taxpayers:

- with an adjusted turnover above EUR 50 million in the previous fiscal year **and**
- for which during the concerned year:
 - the minimum corporate tax is higher than the corporate tax calculated according to the applicable general rules **or**
 - if the entity registers a tax loss.

The adjusted turnover is calculated as the difference of the total revenues of the entity and among other (i) non-taxable revenues, (ii) revenues related to product inventory costs, (iii) revenues related to the costs of work in progress, (iv) specific revenues from the production of tangible and intangible assets, (v) revenues from subsidies, (vi) compensation revenues obtained from insurance/ reinsurance companies for damage caused to stocks or tangible assets. The Fund's adjusted turnover did not exceed the EUR 50 million threshold in 2023, therefore the Fund is not subject to the provisions of the minimum corporate tax in 2024.

Utilisation of tax losses

Starting 1 January 2024, the utilisation of tax losses is limited as follows:

- entities showing a tax profit will be able to offset only 70% of the tax profit with past tax losses (assuming that tax losses are available for utilisation). The remaining 30% of the tax profit will be subject to Romanian corporate income tax at the 16% rate;
- tax losses brought forward from the fiscal years prior to 1 January 2024, as recorded as at 31 December 2023, might be recovered from future taxable profits during the next 7 years;
- tax losses recorded starting with 1 January 2024 might be recovered from future taxable profits during the next 5 years.

As a result, if the Fund shows a tax profit in 2024, it will be able to offset only 70% of this tax profit. The remaining 30% will be subject to Romanian corporate income tax at the 16% rate. The Romanian corporate income tax is computed and declared on quarterly basis. The Fund is in a corporate income tax paying position in for Q3 2024, as a tax profit for this period was reported. For more details, please see *Annex 1 Condensed Interim Financial Statements*.

Corporate Sustainability Reporting Directive

On 28 November 2022, the European Parliament adopted Directive (EU) 2022/2464 regarding corporate sustainability reporting, published in the Official Journal of the European Union on 16 December 2022. The requirements start to apply between 2024 and 2028, and the Member States have to transpose the directive into local legislation so that it applies from 1 January 2024.

According to the provisions in CSRD, there is an explicit exemption for alternative investment funds in respect of the applicability of reporting requirements on sustainability information based on the provisions introduced in the revised Accounting Directive, Article 1 Scope, paragraph 4.

On 20 February 2024, the FSA approved Norm no. 4/2024 amending FSA Norm no. 39/2015 for the implementation CSRD requirements. The provisions of FSA Norm 4/2024 are applicable starting 4 April 2024, at the date of publication in the Official Gazette of Romania.

Based on the provisions of the FSA Norm 4/2024, similarly to the provisions of CSRD, there is a specific exemption from the reporting requirements on sustainability information applicable in case of the Fund.

Implications of GEO no. 71/2024 on the Fund's activity

GEO no. 71/2024 entered into force on 25 June 2024, amending various capital market legislation. A summary of the main topics impacting the Fund's activity is included below:

1. Substitute for the Permanent Representative

GEO no. 71/2024 introduces the obligation to appoint a substitute for the Permanent Representative (of FTIS in relation with Fondul Proprietatea). The Fund is in the process of implementing all the necessary requirements in this respect, including decision issued by FTIS, registration with Romanian Trade Registry, amendment of the Constitutive Act based on 27 September 2024 EGM resolution. For more details please see section *Subsequent events*.

2. Returns of capital

GEO no. 71/2024 introduces maximum thresholds under which returns of capital for share capital decrease could be performed (previously, no thresholds were provided in the legislation):

- One return of capital during a financial year up to maximum 5% of the share capital;
- Additional returns of capital which can take place several times during a financial year up to an annual limit of 10% of the share capital, observing the following cumulative conditions: (1) EGM approval; (2) returns of capital are done exclusively from own sources; and (3) registering profit in the last 3 previous financial years, according to audited annual financial statements.

3. Buy-back programmes

GEO no. 71/2024 regulates (i) the frequency of buy-back programmes (i.e., once in a financial year) and (ii) a maximum threshold of 10% of the share capital under which the buy-back programs can be performed, with the observance of the 2 cumulative conditions: (1) EGMS approval and (2) Buy-backs are done exclusively from own sources.

In addition, these conditions are now applicable irrespective of the buy-back program's purpose (i.e., share capital decrease or other purposes). Please see section *Buy-back programmes* for details regarding the impact of this regulatory change on the 15th buy-back programme.

Net Asset Value

NAV methodology

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

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

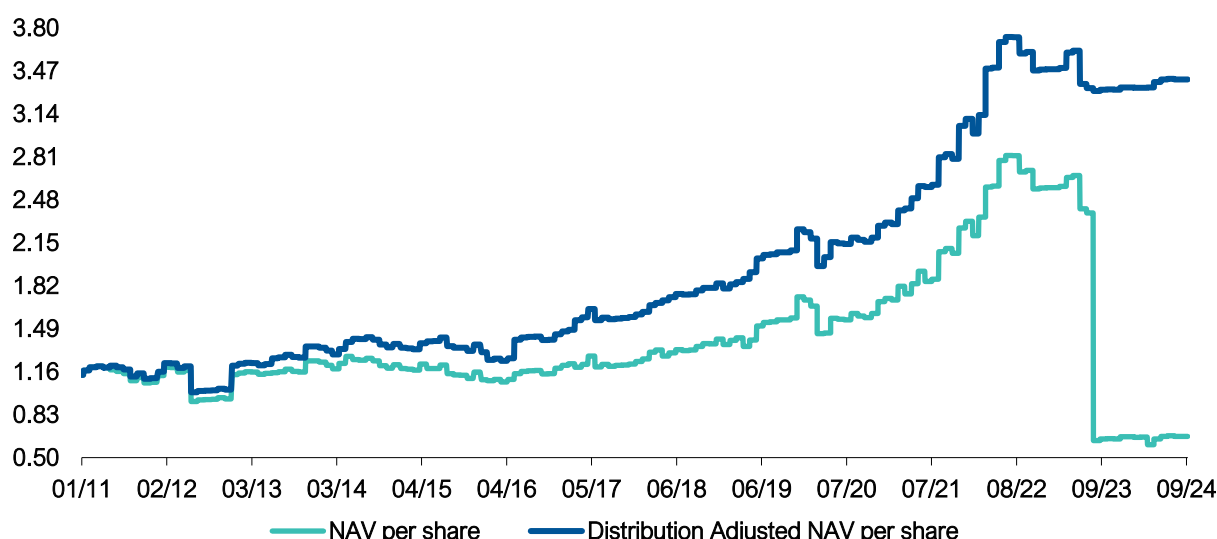
Starting with 28 January 2022, the date when the Fund's registration process as an AIF with the FSA was finalised, the Fund started to apply the Romanian AIF Law (Law no. 243/2019) and AIF Regulation (Regulation no. 7/2020).

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

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

NAV evolution

Evolution of distribution adjusted NAV per share

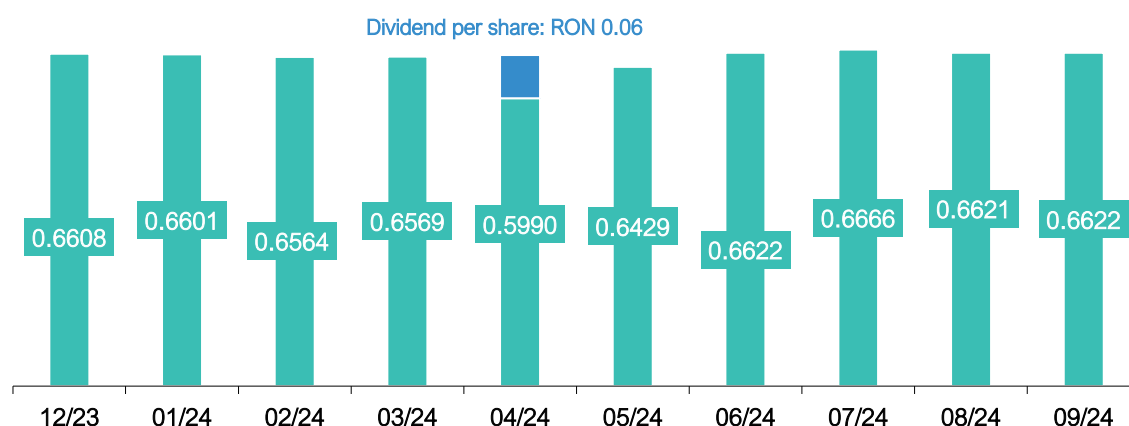


Source: Sole Director calculations

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

Evolution of the NAV per share (RON)

The following chart shows information on the monthly published NAVs per share for the period from 31 December 2023 to 30 September 2024:



Source: Sole Director calculations

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

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

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

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

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

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

Source: Fondul Proprietatea internal records

In December 2023, the Fund prepared a valuation report for the holding in Mecon SA, a company listed on AeRO, the ATS of BVB, whose shares had not been traded since April 2023.

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

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

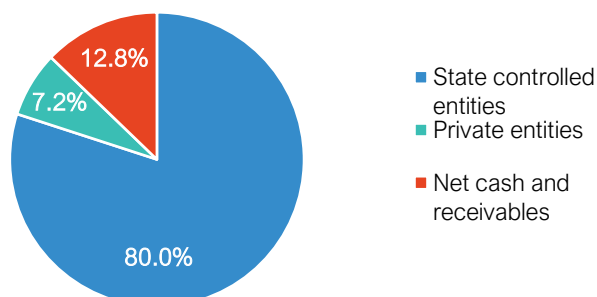
The Fund will continue to closely monitor the evolution of financial markets and that of the specific industries the unlisted holdings operate in, and for each NAV reporting date will assess if an updated valuation is required. As of the date of publication of this report, the annual valuation update for the entire unlisted portfolio is ongoing and the results of this process are expected to be reflected in the December 2024 NAV report.

Portfolio

Portfolio structure

The equity exposure amounted to 87.2% of the Fund's NAV as at 30 September 2024. As at that date, the portfolio was composed of holdings in 24 companies (5 listed and 19 unlisted), a combination of privately held and state-controlled entities.

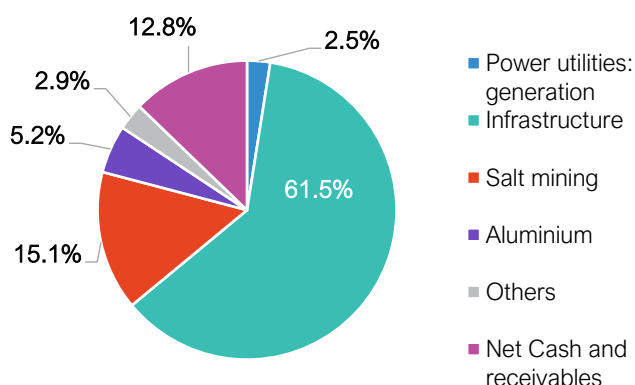
Portfolio structure – by controlling ownership



Net cash and receivables include bank deposits, current bank accounts as well as other receivables and assets, net of all liabilities, including liabilities to shareholders related to dividend distributions.

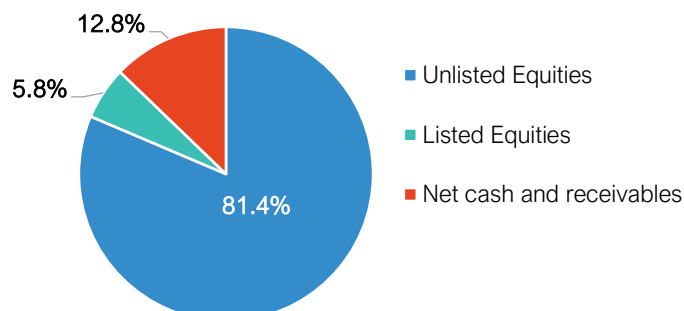
Source: Sole Director calculations
Note: % in total NAV as at 30 September 2024

Portfolio structure – by sector



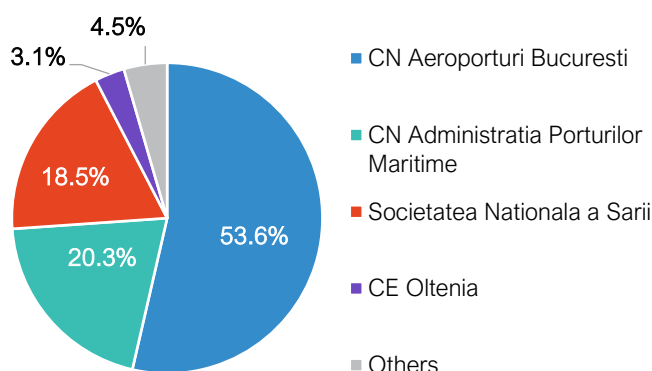
Source: Sole Director calculations
Note: % in total NAV as at 30 September 2024

Portfolio structure – by asset type



Source: Sole Director calculations
Note: % in total NAV as at 30 September 2024

Portfolio structure – unlisted holdings

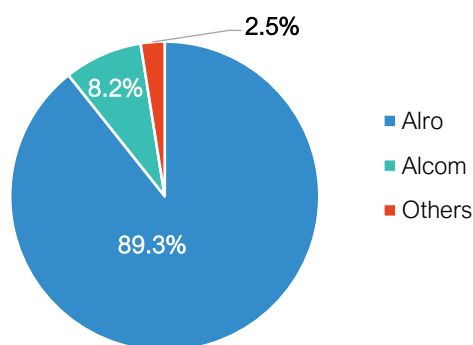


The largest unlisted holding is CN Aeroporturi Bucuresti SA (43.6% of the NAV)

Source: Sole Director calculations

Note: as at 30 September 2024. The chart reflects the company's NAV value as a % in total NAV value of unlisted holdings.

Portfolio structure – listed holdings



The largest listed holding is Alro SA (5.2% of the NAV)

Source: Sole Director calculations

Note: as at 30 September 2024. The chart reflects the company's NAV value as a % in total NAV value of listed holdings.

Key portfolio developments

Annual dividends received from portfolio companies

During 9M 2024, the Fund recorded **annual** dividends from 7 companies in the Fund's portfolio related to the 2023 financial year. There were no **special** dividends¹ declared by the portfolio companies during the reporting period. The total amount of gross dividend income recorded by the Fund during 9M 2024 is RON 145.8 million.

The table below presents details on the annual dividends declared by the portfolio companies during the nine-month period ended 30 September 2024:

Portfolio company	Gross amounts (RON million)	Date of recording in accounting	Collection date
CN Aeroporturi Bucuresti SA	80.4	21-May-24	23-Jul-24
Societatea Nationala a Sarii SA	63.7	29-May-24	24-Jul-24
Others	1.7	Apr-Sep 2024	Fully collected until 30 Sep 2024
Total	145.8		

Source: Fondul Proprietatea internal records

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

Listing of Societatea Nationala a Sarii SA

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

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

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

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

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

Legal actions against CN Aeroporturi Bucuresti SA share capital increase

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

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

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

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

- Opposition against the registration of EGM Resolution no. 15/26.10.2021 with the Trade Register - on 11 February 2022, the Ilfov Court has suspended the opposition pending a final decision in the main file; the Fund has submitted a request for the file to be reinstated on the docket; at the 8 November 2024 hearing, the court reinstated the file on the docket and has deferred its decision on the opposition until 22 November 2024;
- Action against the Certificates of attestation of the right of ownership (RO: "Certificate de atestare a dreptului de proprietate"); on 10 October 2024 the court decided to stay the proceedings pending a plea of unconstitutionality raised by the Fund with regard to certain provisions from the Contentious administrative Law no. 554/2004;
- Action against the valuation report issued by ANG Consulting SRL - on 20 February 2024, the judge decided that another specialised section of the same Court is entitled to have jurisdiction on solving the case; the next hearing before the new specialised section is scheduled on 10 December 2024;
- Action for annulment of the EGM Resolution no. 14/24.09.2019 for the annulment of the decision based on which ANG Consulting SRL performed the valuation; at the 5 November

2024 hearing the parties pleaded on the merits of the case and the court has deferred a decision until 20 November.

Valuation of CN Aeroporturi Bucuresti SA

Within the NAV reports prepared during 9M 2024, the Fund's holding in CN Aeroporturi Bucuresti SA was valued using the same assumptions and valuation methodology as in the previous valuation reports prepared during 2023. This approach was confirmed by the Bucharest Court of Appeal's decision from 7 March 2024. The Sole Director will analyse the full decision of the Bucharest Court of Appeal once this is available as well as the future actions of CN Aeroporturi Bucuresti SA and their potential impact on the valuation of the company.

Participation in share capital increases/ decreases

Aeroportul International Timisoara SA share capital increase

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

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

Restructuring plan of CE Oltenia and related roadmap

In January 2022, the European Commission approved Romania's plan to grant CE Oltenia a restructuring aid for up to EUR 2.66 billion (RON 13.15 billion). The measure will enable the company to finance its Restructuring Plan with the view to 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).

As approved in the general shareholders meetings of CE Oltenia, the Company will develop 4 solar parks with a total capacity of 455 MW together with OMV Petrom, 4 solar parks with a total capacity of 280 MW and a 475 MW natural gas energy block with Tinmar Energy and an 850 MW combined cycle power plant on natural gas with Alro.

The restructuring led to a spin-off from CE Oltenia of 2 units totalling 300MW, respectively of the Craiova II Power Plant Branch. Shareholders approved the spin-off process and related actions during the August 2022 GSM. The new company, Electrocentrale Craiova SA, was established following a symmetric spin-off, taking over the assets and liabilities of Craiova II Power Plant Branch and mirrored percentage wise the shareholding structure of CE Oltenia at that date (share capital of RON 23,829,130 with FP's stake of 21.559%, respectively 513,754 shares).

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

As per the restructuring plan, the Romanian authorities committed to create a distinct subsidiary of CE Oltenia ("the lignite subsidiary") which will comprise and operate the existing lignite power units and related assets of CE Oltenia that are not intended for transition to gas or renewables. The accounts of the lignite subsidiary will be clearly separated from the accounts of CE Oltenia. Such lignite capacities should decrease over time in line with national lignite phase-out calendar. During the GSM taking place on 4 August 2023, the shareholders approved to initiate the establishment of

the lignite subsidiary which as per the Restructuring Plan should be completed before the end of the restructuring period i.e. before the end of 2026.

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

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

In line with the Restructuring Plan that also entails an equity contribution in cash by the Romanian State via the Ministry of Energy in amount of EUR 180 million, CE Oltenia has conveyed a GSM on 28 November 2023 for the approval of the share capital increase. The share capital increase was approved during the GSM in November 2023, by issuing 27,036,159 new shares at a nominal value of 10 RON per share in favour of the Ministry of Energy and included a share premium in amount of RON 620,727,531.

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

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

In November 2024 CE Oltenia, in collaboration with OMV Petrom, has completed the tender process for the construction of three of the four planned photovoltaic parks and has announced the chosen contractors for these lots. The tender for the fourth park is still in progress, where certain technical clarifications are required for the electrical substation. The process for the fourth park is expected to be completed by the end of November and it benefits from 70% financing from Modernisation Funds.

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

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

Disposal of the entire holding in Engie Romania SA

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

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

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

Regulatory updates for portfolio companies

Order no. 85/2024 regulating sustainability reporting aspects

On 26 January 2024, the Ministry of Finance Order no. 85/2024 regulating sustainability reporting aspects entered into force, transposing the CSRD provisions into the national legislation.

The entities in scope of Order 85/2024 should include in the administrators' report relevant information for understanding the business impact of sustainability issues and how sustainability issues affect the development, performance, and position of the entity.

The reporting requirements provided by Order 85/2024 will enter into force in stages, starting with the financial year 2024. The reporting obligations and deadlines for implementation depend on various criteria such as: number of employees, turnover, total assets, if the company is a public interest entity, if the company is part of a group, etc.

Depending on the applicability and impact of Order no. 85/2024 on their activity, the companies in the Fund's portfolio would provide further communications on this topic.

GEO no. 32/2024 regarding measures applicable to final customers in the electricity and natural gas market

On 29 March 2024, GEO no. 32/2024 was published in the Official Gazette of Romania. Among the important changes regarding the calculation of the contribution to the Energy Transition Fund ("the windfall tax") as of 1 April 2024, the following are mentioned below:

- For electricity/ natural gas producers:
 - reduction of the reference price from 450 RON/MWh to 400 RON/MWh;
 - in case of electricity producers from wind and solar energy, the expenses with imbalances (part of the calculation of monthly expenses) increase from 5% to 10% of the value of electricity with physical delivery from own production;
- For electricity/ natural gas suppliers and traders:
 - changing the date until when the calculation methodology is applied to 31 March 2025;
 - modifying the meaning of the reference price by increasing the margin from 2% to 10% which is added to the average monthly electricity / natural gas purchase price;
 - the mention in the definition of the average purchase price of the fact that for suppliers who carry out trading activity and do not specifically allocate the purchase contracts between the supply activity and the trading activity, the entire purchase made by the suppliers will be taken into account, regardless of the destination of the electricity / natural gas.

Regarding the Centralised Electricity Acquisition Mechanism, one of the changes approved through GEO no. 32/2024 was the elimination of the compulsory nature of this mechanism from 1 April 2024, along with the reduction of the acquisition price from RON 450/MWh to RON 400/MWh. As of the same date, the CEAM is open to all electricity producers on a voluntary basis. Starting the same date, for the volumes sold through CEAM electricity producers are no longer able to claim the unrecovered costs with the carbon allowances from the Energy Transition Fund.

The Fund has assessed the new regulatory requirements, and the related impact has been reflected in the valuation updates at 30 June 2024 of the relevant portfolio companies.

Top portfolio holdings

Name	Fund's stake (%)	Value as at 30 Sep 2024 (RON mil)	% of NAV as at 30 Sep 2024
CN Aeroporturi Bucuresti SA	20.00%	924.5	43.6%
CN Administratia Porturilor Maritime SA	20.00%	349.4	16.5%
Societatea Nationala a Sarii SA	49.00%	319.3	15.1%
Alro SA	10.21%	110.1	5.2%
CE Oltenia SA	11.81% ¹	53.6	2.5%
Top equity holdings		1,756.9	82.9%
Total equity holdings		1,847.9	87.2%
Net cash and receivables		272.1	12.8%
Total NAV		2,120.0	100.0%

Source: internal records of the Fund

1. The Fund did not subscribe to the share capital increase approved during CE Oltenia SA GSM in November 2023. Following the cash contribution by the Ministry of Energy and registration with the Trade Registry, the Fund's stake in CE Oltenia share capital will decrease to 7.37%. Until the cash contribution is made by the Ministry of Energy, the Fund's stake in CE Oltenia remains at 11.81%.

CN Aeroporturi Bucuresti SA

Financial and operational results

RON million	2022 ¹	2023	%	9M 2023	9M 2024	%	Budget 2023	Budget 2024	%
Operating revenue	999.1	1,206.8	+20.8%	898.5	1,076.0	+19.8%	1,118.9	1,310.3	+17.1%
Operating profit	345.8	499.7	+44.5%	420.2	523.8	+24.7%	288.3	470.9	+63.3%
Net profit	304.0	453.3	+49.1%	n.a.	n.a.	n.a.	229.1	408.7	+78.4%
Dividends	157.4	401.8	+155.3%	n.a.	n.a.	n.a.	121.3	211.1	+74.0%

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

1. Restated figures

Traffic has recovered to pre-Covid levels in 2023 and continued to rise by 10% y.o.y, reaching 12.2 million passengers in 9M 2024. This trend, coupled with a more beneficial contract for commercial spaces, were the main positive drivers for the improved operational profitability, which was up by 24.7% y.o.y to RON 523.8 million.

Corporate governance

Board members were appointed in July for 4-year mandates. However, Fondul Proprietatea challenged the legality of these appointments in Court due to irregularities in the selection process and outcomes, which in the Sole Director's view go against the provisions of GEO no. 109/2011.

ESG

CN Aeroporturi Bucuresti SA is currently analysing the potential impact of Order no. 85/2024 on their activity and intends to implement specific reporting as per legal requirements.

CN Administratia Porturilor Maritime SA

Financial and operational results

RON million	2022 ¹	2023	%	9M 2023	9M 2024	%	Budget 2023	Budget 2024	%
Operating revenue	510.4	571.2	+11.9%	421.8	401.0	-4.9%	542.3	577.7	+6.5%
Operating profit	131.5	195.9	+49.0%	180.2	264.4	+46.7%	91.4	139.7	+52.8%
Net profit	114.5	195.4	+70.7%	179.5	269.1	+49.9%	89.8	143.1	+59.4%
Dividends	28.6	-	-100%	n.a.	n.a.	n.a.	23.2	35.9	+54.7%

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

1. Restated figures

Traffic reached 60.1 million tons in 9M 2024, 9.5% lower y.o.y, in the context of a significant drop of volumes linked to Ukraine, which decreased by more than half to approximately 8.6 million tons. Operating profitability was up by 46.7% y.o.y., reaching RON 264.4 million in 9M 2024, boosted by a reversal of a legal provision of RON 112.9 million.

Corporate governance

All Board members have interim mandates. Selection process for full mandates did not start yet.

ESG

CN Administratia Porturilor Maritime SA is currently analysing the potential impact of Order no. 85/2024 on their activity and intends to implement specific reporting as per legal requirements. The management targets at least partial compliance starting with 2024 financial reporting process.

Societatea Nationala a Sarii SA

Financial results

RON million	2022	2023	%	H1 2023	H1 2024	%	Budget 2023	Budget 2024	%
Operating revenue	495.3	517.1	+4.4%	237.0	241.7	+2.0%	597.5	592.2	-0.9%
Operating profit	134.4	140.8	+4.8%	57.5	66.1	+15.0%	146.3	144.7	-1.1%
Net profit	120.7	130.6	+8.2%	56.5	61.4	+8.7%	129.7	130.0	+0.3%
Dividends	114.3	130.1	+13.8%	n.a.	n.a.	n.a.	129.7	130.0	+0.3%

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

Corporate governance

Following the finalisation of the selection procedure for Board Members based on GEO no. 109/2011 by the Ministry of Economy, during 23 February 2024 GSM the shareholders appointed Board members for a period of 4 years. Fondul Proprietatea appointed 2 out of 5 members. Also, following finalisation of selection procedure based on GEO no. 109/2011, the Board appointed the General Manager for a period of 4 years starting 1 July 2024.

ESG

Societatea Nationala a Sarii reports on environmental and social responsibility issues in its non-financial annual report, in accordance with GRI Standards, published on its website www.salrom.ro.

Societatea Nationala a Sariei is currently analysing the potential impact of Order no. 85/2024 on their activity and intends to implement specific reporting as per legal requirements.

Alro SA

Financial results

RON million	2022 ¹	2023	%	9M 2023	9M 2024	%	Budget 2023 ²	Budget 2024 ³	%
Operating revenue	4,283.1	3,197.8	-15.3%	2,241.4	2,542.1	+13.4%	3,561.4	3,974.4	+11.6%
Operating profit/ (loss)	782.7	(363.9)	<-100%	(182.6)	287.9	>100%	276.3	311.4	+12.7%
Net profit/ (loss)	409.5	(561.7)	<-100%	(394.1)	126.8	>100%	68.5	103.0	+50.4%
Dividends	-	-	-	n.a.	n.a.	n.a.	-	-	-

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

1. Restated figures

2. GSM resolution from 25 April 2023, values computed using the NBR USD/RON FX rate as at 31 March 2023

3. GSM resolution from 26 April 2024, values computed using the NBR USD/RON FX rate as at 31 March 2024

International aluminium prices increased throughout 9M 2024 from around USD 2,200 per ton to more than USD 2,600 per ton by end of September, driven by increased demand for both primary and processed products. For Alro, processed aluminium sales volumes were up by more than 50% y.o.y, and primary aluminium sales volumes increased also by 10%. Cost of goods sold were almost flat, due to investments aimed at reducing specific consumption and dependence on external energy sources. Thus, the Alro Group's EBITDA turned positive to RON 335.2 million.

ESG

Alro SA has a 5-year sustainability strategy and reports annually on ESG issues through its sustainability reports that can be found on its website, www.alro.ro. Alro SA is currently analysing the potential impact of Order no. 85/2024 on their activity and intends to implement specific reporting as per legal requirements.

CE Oltenia SA

Financial results

RON million	2022	2023	%	H1 2023	H1 2024	%	Budget 2023	Budget 2024	%
Operating revenue	6,877.6	6,639.7	-3.5%	3,735.1	2,149.5	-42.5%	7,364.5	5,407.3	-26.6%
Operating profit	3,628.5	717.5	-80.2%	789.1	104.3	-86.8%	45.6	48.4	+6.1%
Net profit	3,499.9	1,027.3	-70.6%	668.7	71.1	-89.4%	13.1	6.4	-51.1%
Dividends	-	-	-	-	-	-	-	-	-

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

Corporate governance

During April 2024, the Supervisory Board appointed 3 Directorate members for a period of 4 years, respectively Mr Dan Plaveti, Mr Ion Balasoiu and Mr Trufelea Constantin. The selection procedure for the remaining 2 Directorate positions remains ongoing.

During November, Mr Casian-Pavel Nitulescu, member of the Supervisory Board, resigned.

ESG

CE Oltenia is currently analysing the potential impact of Order no. 85/2024 on their activity and intends to implement specific reporting as per legal requirements. The company already includes certain ESG considerations in the annual Supervisory Body Reports available on the company's website, www.ceoltenia.ro.

Corporate Strategy

Distributions to shareholders

Annual Cash Distribution Policy

In order to comply with the requirements of the Bucharest Stock Exchange Corporate Governance Code and in accordance with the IPS, Fondul Proprietatea adopted the Annual Cash Distribution Policy. The scope of the policy is to set a series of guidelines and principles on the cash distributions made by the Fund.

The Annual Cash Distribution Policy of the Fund currently in force is published on the Fund's website in the section *About the Fund/ Fund overview/ Corporate governance*.

General payment procedure

The payments of the distributions to shareholders are performed through the Romanian Central Depository, according to the legislation in force, as follows:

- a) for shareholders having a custodian/ brokerage account, directly by the respective custodian bank or broker;
- b) for all other shareholders:
 - (i) by the Central Depository, through BRD Groupe Societe Generale (acting as Payment Agent), for bank transfers when the supporting documentation required by the Central Depository, along with a payment request, have been submitted;
 - (ii) by the Payment Agent for cash payments, at any of its agencies, or by bank transfer (when the supporting documentation required by the Payment Agent and a payment request were submitted to the Payment Agent).

For each distribution the Fund publishes on its website all the necessary details, including the Dividend Payment procedure, information regarding the potential tax implications, documents to be submitted by shareholders to benefit from certain tax exemptions or lower tax rates, payment forms, additional documentation needed in particular situations, contact details of the Paying Agent and Central Depository, etc.

Starting with the date when the statute of limitation occurs, the shareholders are no longer entitled to collect the respective distribution. According to the provisions of the legislation in force, the statute of limitation generally occurs three years after the date when the respective distribution commences, except for specific instances that are individually assessed – in these cases the payments are performed directly by the Fund based on the specific requests and documentation provided by shareholders entitled to amounts payable.

Special Dividend Distribution in 2024

The Sole Director proposed the distribution of a special gross dividend of RON 0.06 per share, with Payment date 7 June 2024, Ex-date on 16 May 2024 and Registration date on 17 May 2024, that was approved by shareholders during the 30 April 2024 Annual GSM. Until 30 September 2024 the shareholders collected 94.0% of the total dividend distribution.

For more details regarding the general dividend payment procedure and applicable forms, please see the Fund's website, section *Investor Relations – Dividends and Distributions*.

Buy-back programmes

Impact of recent regulatory changes on buy-back programmes

As detailed in the section *Regulatory updates*, GEO no. 71/2024 entered into force on 25 June 2024, introducing a maximum limit of 10% of the share capital during a financial year for buy-back programmes. GEO no. 71/2024 also provides for the frequency of the buy-back programmes (once in a financial year), and the conditions under which the buy-back programs can be performed (based on EGM approval and exclusively from own sources). This new regulation impacts all the buy-back programmes of the Fund going forward.

Given the FSA approval on 8 August 2024 of the share capital decrease related to the cancellation of the shares acquired by the Fund within in the 14th buy-back programme, and the FSA interpretation on how the new regulation applies to the 15th buy-back programme, the **maximum** number of shares the Fund is allowed to repurchase **during 2024** is **355,642,723 shares**.

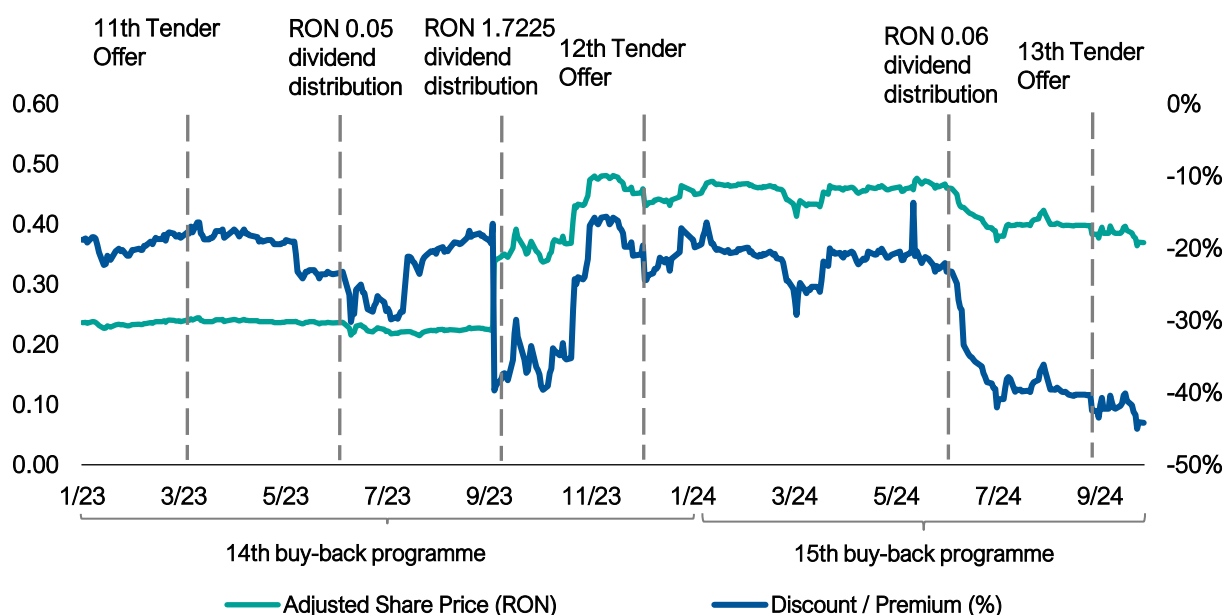
Overview of share buy-back programmes

Progr.	Period	No. of shares (mil)	Tender offer	Status
1	May – Sep 2011	240.3	N/A	Completed
2	Apr – Dec 2013	1,100.9	Oct – Nov 2013	Completed
3	Mar – Jul 2014	252.9	N/A	Completed
4	Oct 2014 – Feb 2015	990.8	Nov – Dec 2014	Completed
5	Feb – Jul 2015	227.5	N/A	Completed
6	Sep 2015 – Sep 2016	891.7	Aug – Sep 2016	Completed
7	Sep 2016 – May 2017	830.2	Feb – Mar 2017	Completed
8	May – Nov 2017	141.9	N/A	Completed
9	Nov 2017 – Dec 2018	1,488.0	Jan – Feb 2018	Completed
10	Jan – Dec 2019	403.8	Jul – Aug 2019	Completed
11	Jan – Dec 2020	798.0	Jan – Mar 2020/ Jul – Sep 2020/ Oct – Dec 2020	Completed
12	Jan - Dec 2021	194.4	N/A	Completed
13	Jan – Dec 2022	549.0	May – Jun 2022	Completed
14	Jan – Dec 2023	2,112.4	Jan – Mar 2023 Oct – Dec 2023	Completed
15	Apr – Oct 2024	355.3	Jul – Sep 2024	Ongoing ¹
Total		10,577.1		

Source: Fondul Proprietatea internal records

1. The 15th buyback programme was approved during 13 February 2024 GSM, started on 15 April 2024 and was finalised on 8 October 2024. The cancellation of the related shares is included on the agenda of 2/3 December 2024 GSM – for more information please see section *Subsequent events*.

Evolution of discount / premium vs. buy-back programmes and distributions



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

The table below shows a summary of the buy-back programmes during the first nine months of 2024:

Progr.	Description	No of shares	Equivalent shares of GDRs	Total no of shares	% of issued share capital ²
14 th	Balance at 1 Jan 2024	2,112,378,889	-	2,112,378,889	
	Acquisitions	-	-	-	
	Cancellations	(2,112,378,889)	-	(2,112,378,889)	
	Balance at 30 Sep 2024	-	-	-	
	Weighted average price ³	RON 0.7983	USD 6.8551	RON 0.8600	
15 th	Balance at 1 Jan 2024	-	-	-	
	Acquisitions	338,538,088	16,766,000	355,304,088	
	Conversions	3,288,800	(3,288,800)	-	
	Balance at 30 Sep 2024	341,826,888	13,477,200	355,304,088	9.99%
	Weighted average price ³	RON 0.6076	USD 6.9758	RON 0.6085	
All	Total balance at 30 Sep 2024	341,826,888	13,477,200	355,304,088	9.99%

Source: Sole Director calculations

Notes:

1. All information is presented based on the transaction date
2. 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 end of the programme (for completed programmes)/at the reporting date (for ongoing programmes).
3. Weighted average price is calculated based on transaction price, excluding the related transaction costs, for the entire buy-back programme

The total number of own shares held by the Fund as at 30 September 2024 is 355,304,088, having a total nominal value of RON 184,758,125.76 (RON 0.52 per share).

The 14th buy-back programme (implemented during 2023)

During 15 November 2022 GSM the shareholders approved the 14th buy-back programme for 2023, for a total number of 3,500 million shares in the form of ordinary shares and GDRs, at a price between RON 0.2 per share and RON 3.0 per share.

The duration of the 14th buy-back programme was 1 January 2023 – 31 December 2023. The 14th buy-back programme was carried out through daily transactions on BVB and LSE and two Tender Offers finalised by the Fund in March and December 2023, for 225 million shares and 1.67 billion shares respectively.

Within the 14th buy-back programme the Fund bought back a total number of 2,112,378,889 own shares, for a total acquisition value of RON 1,816,723,906, excluding transaction costs.

During the 30 April 2024 Annual GSM the shareholders approved the cancellation of the treasury shares repurchased within the 14th buy-back programme and this process was finalised on 30 August 2024.

The 15th buy-back programme (for 2024)

During 13 February 2024 GSM the shareholders approved the 15th buy-back programme for 2024, for a total number of 1 billion shares in the form of ordinary shares and GDRs, at a price between RON 0.2 per share and RON 1.0 per share.

The shares repurchased during this buyback programme will be cancelled. The implementation of this buyback programme would be done exclusively from own sources.

Auerbach Grayson and Swiss Capital have been selected to provide brokerage services for the 2024 buyback programme.

The Fund is allowed to buyback daily up to 25% of the average daily volume of the Fund's shares (whether in the form of ordinary shares or GDRs) on the regulated market on which the purchase is carried out, calculated in accordance with applicable law. As detailed above in the section *Impact of recent regulatory changes on buy-back programmes*, the maximum number of shares the Fund is allowed to repurchase during 2024 within the 15th buy-back programme is 355,642,723 shares.

First trade took place on 15 April 2024 on both BVB and LSE. Sole Director reports on a weekly basis on the progress of the 2024 buyback programme according to the legislation in force.

Tender Offer within the 15th buy-back programme

On 24 July 2024, the Sole Director submitted to the FSA an application for the approval of a tender offer in relation to the Buy-back programme no. 15 for maximum 350 million shares.

The daily execution of buy-backs for both shares on BVB and GDRs on LSE was suspended starting with 10 July 2024.

The Fund selected Swiss Capital SA together with Auerbach Grayson as agents and Swiss Capital SA 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 9 August 2024, the Sole Director filed an amendment to the Tender Offer documentation with the FSA, decreasing the number of shares intended to be repurchased to **269 million shares** (both in the form of shares and GDRs). This was as a result of (i) the issuance by the FSA of the authorisation for the share capital decrease following the cancellation of shares acquired within the 14th buy-back programme (ii) the FSA's interpretation of Article 29 (4) of Law no. 243/2019, as amended by GEO no.

71/2024, according to which the 15th buy-back programme is limited to 10% of the share capital resulting from the decrease referred to in item (i).

On 4 September 2024, the FSA approved the Fund's application for the public tender offer. The subscription period was from 11 September to 25 September 2024.

On 25 September 2024, the Sole Director announced the results of the tender offer: total subscriptions of 1,845,722,562 shares representing 686.1422% of the offer (1,753,249,562 subscribed in the form of shares and 92,473,000 shares in the form of GDRs, namely 1,849,460 GDRs).

Under the tender offer, the Fund repurchased 269,000,000 shares (255,522,800 in the form of shares and 13,477,200 shares in the form of GDRs, namely 269,544 GDRs) at a purchase price of RON 0.6622 per share and the USD equivalent of RON 33.11 per GDR. The shares' Trade Date was 26 September 2024, and the settlement date was 30 September 2024 for both shares and GDRs.

For more details regarding the completion of the 15th buy-back programme and the cancellation of the related shares, as well as the 16th buy-back programme for 2025, 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 GSM.

As at 30 September 2024, the Fund's equity elements that could be used to cover the negative reserve are sufficient and include retained earnings and share capital.

Similarly, a **positive equity element** is recognised directly in equity, without any impact on profit or loss, upon cancellation of the shares acquired in a buy-back programme where the acquisition price is lower than the nominal value. At the cancellation date, a reallocation between the equity accounts is booked – according to Article 75 from Norm no. 39/2015 the amount representing the positive equity element resulted from cancellation may be transferred to other reserves. Subsequently, this is available to be used according to shareholders decision, based on the amounts presented in the audited financial statements of the Fund.

Movement in the reserves related to buy-back programmes

During the 30 April 2024 Annual GSM, the shareholders approved the coverage of the negative reserves in amount of RON 908,845,064 related to the 13th buy-back programme using the other reserves set up for this purpose as per the decision taken in the 2023 Annual GSM.

During 30 April 2024 Annual GSM the shareholders also approved the cancellation of the 2,112,378,889 treasury shares repurchased within the 14th buy-back programme. The negative reserve in amount of RON 774,756,258 corresponding to the treasury shares repurchased within the 14th buy-back programme was recorded on 30 August 2024, when the cancellation was finalised, following the completion of all legal and regulatory steps.

The table below shows the movement of the negative reserves during the nine-month period ended 30 September 2024:

Movement in negative reserve	All amounts in RON
Opening balance of the negative reserve as at 1 January 2024 (audited)	(908,845,064)
Coverage of negative reserves according with OGM Resolution no. 6/ 30 Apr 2024	908,845,064
Negative reserve arising on the cancellation of 14 th buy-back programme shares (recorded on 30 Aug 2024) according to EGM Resolution no. 3/ 30 Apr 2024	(774,756,258)
Closing balance of the negative reserve at 30 September 2024 (unaudited)	(774,756,258)

Source: Sole Director calculations

The Sole Director will propose the implementation of the relevant corresponding measures in respect of the negative reserve as reflected in the annual audited financial statements of the Fund during a subsequent GSM.

The table below shows additional details on the estimated negative reserve that will arise upon the cancelation of the treasury shares in balance as at 30 September 2024:

Negative reserves to arise on cancellation of the treasury shares in balance as at 30 Sep 2024		Buy-back programme no. 15
Number of shares to be cancelled	(1)	355,304,088
Total costs (including transaction costs and other costs), representing the accounting value of the shares to be cancelled in the future (RON)	(2)	223,181,288
Correspondent nominal value (NV = RON 0.52 per share) (RON)	(3)=(1)*NV	184,758,126
Estimated negative reserve to be booked on cancelation (RON)	(4)=(3)-(2)	(38,423,162)

Source: Sole Director calculations

The intermediary negative reserve in respect of the shares acquired within the 15th buy-back programme during the nine-month period ended 30 September 2024 is of RON 38,423,162.

However, the final amount of negative/ positive reserve for the 15th buy-back programme will be calculated and booked at share cancellation date.

Financial Information

Key financial highlights

The table below shows a summary of the Fund's financial performance during the reporting period:

NAV ¹ and share price developments ²	Notes	Q1 2024	Q2 2024	Q3 2024	Q3 2023
Total shareholders' equity at the end of the period (RON million)		2,336.4	2,312.4	2,120.0	3,372.8
Total shareholders' equity change in period (%)		-0.2%	-1.0%	-8.3%	-74.1%
Total NAV at the end of the period (RON million)	a	2,336.4	2,312.4	2,120.0	3,372.8
Total NAV change in period (%)		-0.6%	-1.0%	-8.3%	-74.1%
NAV per share at the end of the period (RON)	a	0.6569	0.6622	0.6622	0.6431
NAV per share at the end of the period (USD)	a	0.1426	0.1424	0.149	0.1372
NAV per share (RON) change in the period (%)		-0.6%	0.8%	0.0%	-73.3%
NAV per share total return in the period (%)	g	-0.6%	10.9%	0.1%	-0.6%
Share price as at the end of the period (RON)	b	0.5200	0.3950	0.3696	0.4200
Share price low in the period (RON)	b	0.4670	0.3950	0.3640	0.3810
Share price high in the period (RON)	b	0.5330	0.5250	0.4230	1.9840
Share price change in the period (%)		-0.6%	-24.0%	-6.4%	-78.4%
Share price total return in the period (%)	h	-0.6%	-14.4%	-6.4%	+19.2%
Share price discount to NAV as at the end of the period (%)	d	-20.8%	-40.4%	-44.2%	-34.7%
Average share price discount in the period (%)	d	-21.7%	-22.3%	-29.8%	-25.5%
Average daily share turnover in the period (RON million)	c, j	1.6	2.8	7.3	14.2
GDR price as at the end of the period (USD)	e	5.40	4.50	4.04	4.34
GDR price low in the period (USD)	e	5.05	4.50	4.04	4.12
GDR price high in the period (USD)	e	5.70	5.55	4.86	22.00
GDR price change in the period (%)		-5.3%	-16.7%	-10.2%	-79.3%
GDR price total return in the period (%)	i	-5.3%	-6.6%	-10.2%	+3.5%
GDR price discount to NAV as at the end of the period (%)	d	-26.1%	-36.8%	-45.8%	-36.7%
Average GDR price discount in the period (%)	d	-24.2%	-23.1%	-29.5%	-24.9%
Average daily GDR turnover in the period (USD million)	f, j	0.03	0.04	0.05	0.20

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

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

2. Period should be read as Q1 2024/ Q2 2024/ Q3 2024/ Q3 2023, respectively

Notes:

- Prepared based on local rules issued by the capital market regulator (NAV in USD calculated using the NBR FX rate at the reporting date)
- Source: BVB - REGS market - Closing prices
- Source: BVB
- Share Price/ GDR Price discount/ premium to NAV as at the end of the period (%) is calculated as the discount/ premium between FP share closing price on BVB - REGS/ FP GDR closing price on LSE on the last trading day of the period and the NAV per share at the end of the period; as a general rule, the average discount/ premium is calculated according to IPS, using the latest published NAV per share at the date of the calculation (NAV in USD is calculated using the NBR FX rate at the reporting date) and includes both the days with premium and with discount. However, the discount to NAV for the trading

days 7-14 September 2023 was calculated based on the 31 August 2023 NAV (published on 15 September 2023), in order to eliminate the mismatch between the NAV and BVB market price that was adjusted on 7 September 2023 (the Ex-date of 29 September 2023 dividend distribution).

- e. Source: Bloomberg - Closing prices
- f. Source: Bloomberg
- g. The NAV per Share Total Return is calculated in RON by geometrically linking total returns for all intermediate periods when official NAV is published. Each total return for a single period is calculated using the following formula: the NAV per share at the end of the period plus any cash distribution during the period, dividing the resulting sum by the official NAV per share at the beginning of the period. The resulting single period total returns are geometrically linked to result in the overall total return. The Fund uses this indicator as it is directly related to the performance objectives of the Fund included in the IPS
- h. The Share Price Total Return is calculated in RON by geometrically linking daily total returns. Daily total return is calculated as the closing price at the end of the day, plus any cash distributions on that day, dividing the resulting sum by the closing price of the previous day. The resulting single period total returns are geometrically linked to result in the overall total return. The Fund uses this indicator as it is directly related to the performance objectives of the Fund included in the IPS
- i. The GDR Price Total Return is calculated in USD by geometrically linking daily total returns. Daily total return is calculated as the closing price at the end of the day, plus any cash distributions on that day, dividing the resulting sum by the closing price of the previous day. The resulting single period total returns are geometrically linked to result in the overall total return. The Fund uses this indicator as it is directly related to the performance objectives of the Fund included in the IPS
- j. Including the tender offers finalised by the Fund in March 2023 and September 2024

Fees, charges, and expenses directly or indirectly borne by investors

According to article 22 of Law no. 74/2015 the AIFM shall make available to investors the information on all fees, charges and expenses and the maximum amounts thereof which are directly or indirectly borne by investors.

Additional details on this topic are included below, as recommended in the communications received from FSA.

Fees and costs directly borne by investors

The brokerage fees and other costs incurred by investors in acquiring the Fund's shares vary depending on the specific contractual agreements concluded between the investors and the intermediaries.

Fees and costs indirectly borne by investors

Pursuant to the Management Agreement and to the shareholders' approval, the Fund bears, pays or will reimburse the AIFM the following expenses incurred by the AIFM:

- (i) expenses related to the payment of fees owed to the depositary;
- (ii) expenses related to intermediaries and advisors including related to the financial advisory services in connection with the trading, issue, purchase, sale or transfer of listed and unlisted securities or financial instruments from the Fund's portfolio, including fees and commissions due to relevant market operators;
- (iii) expenses related to taxes and fees owed to the FSA or other public authorities, according to applicable legislation, as well as expenses or charges imposed to the Fund by any tax authority related to the expenses in this clause or otherwise applicable to the running of the business of the Fund, including the notary fees, stamp duty tax and other similar tax;
- (iv) expenses related to the financial audit performed on the Fund and any other audits or valuations required by the legislation in force applicable to the Fund (for clarity, these

expenses relate to the fair value measurement of the Fund's portfolio for the purpose of IFRS accounting and financial statements preparation and NAV calculation);

- (v) expenses related to the admission to trading of the financial instruments issued by the Fund, and any subsequent issues or offerings; expenses with intermediaries and professional advisors in relation to arranging and maintaining the listing;
- (vi) expenses related to investor relations and public relations in the interest of the Fund;
- (vii) expenses related to ongoing reporting and disclosure obligations according to legislation in force;
- (viii) expenses related to the organising of any GSM and communications with the shareholders and to the payment of fees for registrar services and services related to distributions to shareholders;
- (ix) expenses related to the payment of taxes and fees owed to the BVB, LSE and any other exchange on which the financial instruments of the Fund or GDRs or depositary interests corresponding to shares of the Fund shall be admitted to trading, as well as membership fees;
- (x) expenses related to the registration with the Trade Registry or documents issued by the Trade Registry;
- (xi) expenses related to the payment of fees owed to the banks for banking services performed for the Fund, including credit facility costs;
- (xii) expenses related to appointing legal advisers and other advisors to act in the interest of the Fund;
- (xiii) expenses related to contracts with external service providers existing as of execution of the Management Agreement until the expiry or termination of the agreement, including expenses with lease for the headquarter of the Fund;
- (xiv) expenses related to remuneration, transport and accommodation of the members of the BoN (in relation to their services and attendance at meetings, in accordance with the Constitutive Act, the mandate agreements and any applicable internal regulations) and for independent persons (not employees of the AIFM) acting as representatives of the Fund on the corporate bodies of companies in the portfolio, where appropriate; and
- (xv) expenses relating to printing costs for the Fund's documentation;

All costs and expenses incurred by the AIFM in the performance of its functions shall not be for the account of the Fund but shall be borne by the AIFM.

The AIFM shall be liable for the following out of pocket expenses incurred by it when performing its duties, including, but not limited to:

- (i) expenses in connection with mailing and telephone, except for letters to the shareholders of the Fund;
- (ii) expenses in connection with business travel and accommodation, except for expenses related to investors relations activities, shareholders meetings and meetings of the BoN;
- (iii) expenses incurred with salaries, bonuses and other remunerations granted to the employees and collaborators of the AIFM or any associated company who acts as a delegate in accordance with the provisions of the Management Agreement;
- (iv) other expenses incurred for the functioning of the AIFM or any associated company who acts as a delegate in accordance with the provisions of the Management Agreement.

In performing its obligations under the Management Agreement, the AIFM shall not use Soft Dollar Practices (i.e., arrangements under which assets or services, other than execution of securities transactions, are obtained by a fund manager from or through a broker in exchange for the fund manager directing to the respective broker trades concluded on behalf of the undertaking for collective investment managed by that fund manager). All transactions in connection to the portfolio shall be consistent with the principle of best execution.

Financial statements analysis

The condensed interim financial statements for the nine-month period ended 30 September 2024, 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 in the Statement of Financial Position and Statement of Comprehensive Income presented in this report may differ from the ones included in the condensed interim financial statements due to other regulatory requirements.

This section provides an overview of the Fund's financial position and performance for the nine-month period ended 30 September 2024. The analysis presents the main developments during the reporting period, for more details regarding the comparative amounts from previous period, please see the corresponding section in *Annex 1 Condensed Interim Financial Statements*.

The quarterly report and the condensed interim financial statements for the nine-month period ended 30 September 2024 have not been audited or reviewed by the financial auditor of the Fund.

Statement of Financial Position

RON million	30 Sep 2024 Unaudited	30 Jun 2024 Unaudited	31 Mar 2024 Unaudited	31 Dec 2023 Audited	30 Sep 2024 vs. 31 Dec 2023 (%)
Cash and current accounts	0.6	0.1	0.1	0.1	>100%
Distributions bank accounts	321.2	449.8	478.9	547.5	-41.3%
Deposits with banks	295.0	351.3	562.7	191.4	+54.1%
Dividends receivable	-	144.3	-	-	-
Equity investments	1,847.9	1,851.3	1,775.9	1,784.4	+3.6%
Non-current assets held for sale	-	-	-	432.6	-100.0%
Other assets	-	0.6	-	-	0.0%
Total assets	2,464.7	2,797.4	2,817.6	2,956.0	-16.6%
Payable to shareholders	320.8	448.8	477.7	546.5	-41.3%
Other liabilities and provisions	23.9	36.2	3.5	67.3	-64.5%
Total liabilities	344.7	485.0	481.2	613.8	-43.8%
Total equity	2,120.0	2,312.4	2,336.4	2,342.2	-9.5%
Total liabilities and equity	2,464.7	2,797.4	2,817.6	2,956.0	-16.6%

Source: IFRS financial statements of the Fund

The **liquid assets** of the Fund during 9M 2024 included current accounts and term deposits with banks. All instruments were denominated in RON, with maturities of up to one year. The most important **cash inflows** during 9M 2024 were related to the proceeds from disposal of the entire stake in Engie Romania SA (RON 432.6 million), the net dividends collected from portfolio companies (RON 145.8 million) and the interest received (RON 28.1 million), while the most significant **cash outflows** were related to net dividends paid (RON 407.7 million), acquisition of treasury shares within the 15th buyback programme (RON 216.3 million), and the dividend withholding tax payments performed (RON 58.3 million).

The net increase in **Equity investments** of RON 63.5 million during 9M 2024 was mainly generated by the valuation update at 30 June 2024 (mostly CN Aeroporturi Bucuresti SA and Administratia Porturilor Maritime SA).

At 30 September 2024, **Payable to shareholders** caption comprised the dividends payable to shareholders, out of which the most significant amounts are related to 29 September 2023 special dividend distribution (RON 250.4 million). At the same date the **Other liabilities and provisions** caption mainly comprises the current income tax due to state budget (RON 11.6 million) and Q3 2024 fees payable to the Sole Director (RON 7.9 million).

Statement of Comprehensive Income

RON million	Q1 2024 Unaudited	Q2 2024 Unaudited	Q3 2024 Unaudited	9M 2024 Unaudited	9M 2023 Unaudited
Gross dividend income	-	145.3	0.5	145.8	962.8
Net gain/ (loss) from equity investments at fair value through profit or loss	(8.5)	75.4	(3.4)	63.5	(1,666.8)
Interest income	9.0	10.5	8.7	28.2	139.0
Net gain from non-current assets held for sale	-	-	-	-	61.2
Other income/ (expenses), net ¹	0.4	0.6	(0.1)	0.9	1.3
Net operating income/ (loss)	0.9	231.8	5.7	238.4	(502.5)
Administration fees recognised in profit or loss	(2.0)	(9.5)	(4.6)	(16.1)	(199.9)
Other operating expenses	(4.3)	(3.1)	(4.0)	(11.4)	(259.4)
Operating expenses	(6.3)	(12.6)	(8.6)	(27.5)	(459.3)
Finance costs	-	-	-	-	(0.1)
Profit/ (Loss) before income tax	(5.4)	219.2	(2.9)	210.9	(961.9)
Income tax	(0.4)	(0.5)	(0.4)	(1.3)	-
Withholding tax on the dividend income	-	-	-	-	(7.0)
Profit/ (Loss) for the period	(5.8)	218.7	(3.3)	209.6	(968.9)
Other comprehensive income	-	-	-	-	-
Total comprehensive income/ (loss) for the period	(5.8)	218.7	(3.3)	209.6	(968.9)

Source: IFRS financial statements of the Fund

1. This caption mainly includes the net foreign exchange gain/ (loss), the income from BNYM (GDR depositary bank), net gain/ (loss) from other financial assets at fair value through profit or loss and other operating income/(expenses).

The **operating income** mainly comprises the gross dividend income, the changes in fair value of financial instruments at fair value through profit or loss, interest income and the net realised gains/ losses from transactions with financial instruments. The changes in fair value of the equity investments of the Fund are recognised in profit or loss. The operating income is influenced by the performance of the portfolio companies and their decisions on dividend distributions, by the changes in the share price of listed companies as well as by money market performance.

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

The **gain from equity investments at fair value through profit or loss** during 9M 2024 was mainly generated by the valuation update at 30 Jun 2024 for the largest unlisted holdings in the Fund's portfolio, mainly CN Aeroporturi Bucuresti SA (increase of RON 46.8 million) and Administratia Porturilor Maritime SA (increase of RON 21.1 million).

Interest income in 9M 2024 arose from short term deposits and distribution bank accounts held with banks.

In addition to the **corporate income tax** recognised in profit or loss and presented in the table above, during the 9M period ended 30 September 2024 the Fund also booked RON 11,266,914 corporate income tax recorded directly in equity. This was mainly as a result of (1) the reduction in legal reserve following the share capital decrease finalised on 30 August 2024 and (2) the transfer to retained earnings of two dividend distributions' uncollected balance, for which the statute of limitation occurred (initial payment dates of: 22 June 2021 and 27 August 2021).

Additional details on the **administration fees** are presented below:

RON million	Q1 2024 Unaudited	Q2 2024 Unaudited	Q3 2024 Unaudited	9M 2024 Unaudited	9M 2023 Unaudited
Recognised in profit or loss	2.0	9.5	4.6	16.1	199.9
Base fee	2.0	5.8	4.6	12.4	34.5
Distribution fee for dividends	-	3.7	-	3.7	165.4
Recognised in other comprehensive income	-	0.5	3.3	3.8	17.0
Distribution fee for buy-back programmes	-	0.5	3.3	3.8	17.0
Total administration fees	2.0	10.0	7.9	19.9	216.9

Source: IFRS financial statements of the Fund

The significant decrease in **base fee** during 9M 2024 compared to 9M 2023 is mainly due to the lower market capitalisation of the Fund following Hidroelectrica IPO and distribution of the IPO proceeds to shareholders as dividends.

The **distribution fee for dividends** is lower in 9M 2024 compared to 9M 2023 as a result of the lower total gross distributed amount.

The **distribution fee for buy-back programmes** is significantly lower in 9M 2024 compared to 9M 2023 as a result of decrease in total buy-backs value, both in terms of number of shares bought back and share price.

Other operating expenses

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

RON million	Q1 2024 Unaudited	Q2 2024 Unaudited	Q3 2024 Unaudited	9M 2024 Unaudited	9M 2023 Unaudited
Legal and litigation assistance expenses	1.1	0.7	1.4	3.2	1.8
BON remunerations and other related expenses	0.8	0.4	0.4	1.6	1.9
FSA monthly fees	0.5	0.6	0.5	1.6	8.1
Financial auditor's fees	0.3	0.4	-	0.7	0.5
Investors' relations expenses	-	0.2	0.3	0.5	0.7
GSM organisation	0.2	0.2	0.1	0.5	0.2
Fund Manager selection expenses	-	-	0.5	0.5	-
Regulatory and compliance expenses	0.4	-	-	0.4	0.3
Tax compliance and tax advisory	0.1	0.2	0.1	0.4	0.3
PR expenses	0.1	0.1	0.1	0.3	0.7

RON million	Q1 2024 Unaudited	Q2 2024 Unaudited	Q3 2024 Unaudited	9M 2024 Unaudited	9M 2023 Unaudited
Portfolio valuation services	0.1	0.2	-	0.3	0.1
Intermediaries and other transaction related fees	-	-	-	-	242.8
Other operating expenses	0.6	0.1	0.7	1.4	2.0
Total operating expenses	4.2	3.1	4.1	11.4	259.4

Source: IFRS financial statements of the Fund

The Fund Manager selection expenses are related to the advisory costs incurred by the Fund with Deutsche Numis (part of the selection advisory budget of RON 3.8 million to be used by the members of the BoN as per the shareholders' approval during 27 September 2024 GSM).

The **intermediaries and other transaction related fees** in 9M 2023 in amount of RON 242.8 million are mainly related to the listing of Hidroelectrica SA.

Related party transactions

The transactions with related parties were performed in the normal course of business. For more details, please see *Annex 1 Condensed Interim Financial Statements*.

Financial Ratios

Description	30 September 2024
1. Current liquidity ratio	
<u>Current Assets</u> *	1.79
Current Liabilities	
*For the computation of this ratio, "Current assets" comprise cash and current accounts, distribution bank accounts, deposits with banks and other assets. "Current liabilities" include payables to shareholders and other liabilities and provisions.	
2. Debt-to-equity ratio (%)	
<u>Borrowings</u> x 100	-
Shareholders' Equity	
The Fund had no borrowings as at 30 September 2024 therefore this ratio is nil	
3. Receivables turnover ratio - customers (number of days)	
<u>Average balance of receivables</u> x 270	n/a
Turnover	
This ratio is not applicable to an investment fund and cannot be calculated	
4. Turnover of non-current assets	
<u>Turnover</u>	0.129
Non-current assets	
For the computation of this ratio, "Turnover" includes dividend income, net gain/ (loss) from financial instruments at fair value through profit or loss, interest income and other income, while "Non-current assets" included equity investments. This ratio has no significance for an investment fund.	

Source: Sole Director calculations

Subsequent Events

Updates regarding the Board of Nominees

Following the resolutions of the 27 September 2024 OGM, on 1 October 2024 Mrs. Ileana-Lacramioara Isarescu accepted the mandate as member of the Board of Nominees for a period of 3 years, namely until 1 October 2027. Thus, starting with 1 October 2024, the membership of the Board of Nominees is the following:

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

Updates regarding the selection process conducted by the BoN

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

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

On 30 October 2024 the **Sole Director of the Fund** published an announcement in respect of the letter received from the shareholders Mr. Istvan Sarkany and Mr. Mihai Sebea, accompanied by certain materials addressed to the Fund's shareholders in connection with the EGM and OGM from 2/3 December 2024, which are related, among others, to the selection process. The materials are available on the Fund's website, section *Investor Relations – GSM Information – GSM Documentation*. The questions and answers relating to the EGM and OGM convened for 2/3 December 2024 are available on the Fund's website, under the FAQ section.

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

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

2024 Updated Financial Calendar

On 8 October 2024 the Sole Director of the Fund informed the market regarding the amendment of the 2024 financial calendar for Fondul Proprietatea. The update refers to the cancellation of the investors' conference call scheduled on 15 November 2024 for presenting the Fund's financial results for the third quarter of 2024.

Updates regarding the 15th buy-back programme

The final trade within the 15th buy-back programme took place on 8 October 2024, when the regulatory limit of 10% of the Fund's share capital, as per the recent amendments brought to Article 29 paragraph (4) of Law no. 243/2019 was reached. Consequently, the Fund announced the termination of the 15th buy-back programme.

Within the 15th buy-back programme the Fund acquired 355,642,723 shares (in the form of shares and GDRs), representing 10% of the Fund's share capital. The shares and GDRs were acquired via daily trading on BVB and LSE and through one public tender offer completed on 30 September 2024. The total value of the 15th buy-back programme excluding brokerage fees and other acquisition-related costs was RON 216,324,939.80 and the weighted average price for the cumulated value of shares and GDRs acquired was RON 0.6083 per share.

Convening 2/3 December 2024 GSM

On 22 October 2024 the Sole Director of the Fund convened a GSM for 2 December 2024. If the statutory quorum requirements for the EGM/OGM, laid down by the Companies' Law no. 31/1990 and the Fund's Constitutive Act would not be met for the first convening, both meetings are convened on the date of 3 December 2024 (second convening), with the same agenda as at the first convening.

A summary of the main points on the agenda is included below, while the full text of the convening notice together with additional information with respect to the GSM are published in the dedicated section of the Fund's website *Investor Relations – GSM Information*.

- approval of the delisting of the Fund's GDRs admitted to trading on the Specialist Fund Market of the LSE and the empowerment of the Sole Director to perform any legal acts or actions necessary, useful or appropriate with respect to this;
- approval of the decrease of the subscribed and paid-up share capital of Fondul Proprietatea by RON 184,934,215.96, from RON 1,849,342,164.28 to RON 1,664,407,948.32, pursuant to the cancellation of 355,642,723 own shares acquired by the Fund during 2024 within the 15th buy-back programme;
- approval of the 16th buy-back programme for a maximum number of 320 million shares (in the form of shares and/or GDRs), during the 2025 financial year, at a price between the minimum limit of RON 0.2 per share and the maximum limit of RON 1 per share. The transactions can only have as object fully paid shares/ GDRs. The buy-back programme is aimed at the share capital decrease of Fondul Proprietatea. This buy-back programme implementation will be done exclusively from the Fund's own sources;
- The appointment for a period of 3 years of one member of the Board of Nominees of Fondul Proprietatea following the expiration of the mandate of Mr. Nicholas Paris on 6 April 2024;
- approval of 2025 budget of Fondul Proprietatea.

On 30 October 2024 the Sole Director published an announcement in respect of the letter received from the shareholders Mr. Istvan Sarkany and Mr. Mihai Sebea, accompanied by certain materials addressed to the Fund's shareholders in connection with the EGM and OGM from 2/3 December 2024. The materials are available on the Fund's website, section *Investor Relations – GSM Information – GSM Documentation*

The questions and answers relating to the EGM and OGM convened for 2/3 December 2024 are available on the Fund's website, under the FAQ section.

Appointment of the substitute for the Permanent Representative

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

Thus, the legal representation of the Fund Manager is carried out by:

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

Signatures:

14 November 2024

Johan Meyer

Permanent Representative

Prepared by

Catalin Cadaru

Fund Administration and Oversight
Senior Manager

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

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Annex 1

FONDUL PROPRIETATEA SA

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

Prepared in accordance with IAS 34 Interim Financial Reporting 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, as well as to the Investor Compensation Fund (“FSA Norm 39/2015”)

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STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

		Period ended 30 September 2024	Period ended 30 September 2023
Gross dividend income	Note 5	145,848,924	962,766,928
Net gain/(loss) from equity investments at fair value through profit or loss	6	63,453,033	(1,666,781,684)
Net gain from non-current assets held for sale valued at fair value through profit or loss	7	-	61,200,000
Net gain from other financial instruments at fair value through profit or loss		-	895,812
Interest income	8	28,164,078	138,989,562
Bank of New York Mellon income		591,617	1,166,734
Net foreign exchange gain/(loss)		(105,741)	(952,228)
Other income, net		460,352	141,243
Net operating income/(expense)		238,412,263	(502,573,633)
Operating expenses	9	(27,501,114)	(459,263,031)
Finance costs		-	(68,471)
Profit/(Loss) before income tax		210,911,149	(961,905,135)
Income tax	10	(1,268,707)	-
Withholding tax on the dividend income	10	-	(6,980,407)
Profit/(Loss) for the period		209,642,442	(968,885,542)
Other comprehensive income		-	-
Total comprehensive income for the period		209,642,442	(968,885,542)
Basic and diluted earnings per share	11	0.0596	(0.1776)

These condensed interim financial statements were authorised for issue on 14 November 2024 by:

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

Johan Meyer

Permanent Representative

Prepared by:

Catalin Cadaru

Fund Administration and Oversight Senior Manager

The notes on pages 6 to 36 are an integral part of these condensed interim financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

	Note	30 September 2024	31 December 2023
Assets			
Cash and current accounts	12	593,861	60,109
Distributions bank accounts	12	321,179,717	547,496,881
Deposits with banks	12	294,996,755	191,368,978
Equity investments	14	1,847,849,348	1,784,396,314
Non-current assets held for sale	15	-	432,616,168
Other assets		672	27,704
Total assets		2,464,620,353	2,955,966,154
Liabilities			
Payable to shareholders	16(a)	320,752,114	546,457,941
Other liabilities and provisions	16(b)	23,907,213	67,328,920
Total liabilities		344,659,327	613,786,861
Equity			
Share capital	17(a)	1,849,342,164	2,947,779,187
Other reserves	17(b)	(404,887,825)	646,805,769
Treasury shares	17(c)	(223,181,288)	(1,873,193,280)
Retained earnings		898,687,975	620,787,617
Total equity		2,119,961,026	2,342,179,293
Total liabilities and equity		2,464,620,353	2,955,966,154

The notes on pages 6 to 36 are an integral part of these condensed interim financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

	Share capital	Other reserves	Treasury shares	Retained earnings	Total attributable to the equity holders of the Fund
Balance as at 1 January 2024	2,947,779,187	646,805,769	(1,873,193,280)	620,787,617	2,342,179,293
Profit for the period	-	-	-	209,642,442	209,642,442
Total comprehensive income for the period	-	-	-	209,642,442	209,642,442
Transactions with owners, recorded directly in equity					
Dividends declared	-	-	-	(212,452,479)	(212,452,479)
Acquisition of treasury shares	-	-	(223,181,288)	-	(223,181,288)
Cancellation of treasury shares	(1,098,437,023)	(774,756,258)	1,873,193,280		-
Other reserves used to cover accounting loss		(151,946)		151,946	-
Distributions for which the statute of limitation occurred				15,039,974	15,039,974
Legal reserve transfer to retained earnings	-	(276,785,390)	-	276,785,390	-
Corporate income tax recorded directly to equity as per IAS 12 requirements				(11,266,914)	(11,266,914)
Total transactions with owners recorded directly in equity	(1,098,437,023)	(1,051,693,594)	1,650,011,992	68,257,917	(431,860,707)
Balance as at 30 September 2024	1,849,342,164	(404,887,825)	(223,181,288)	898,687,975	2,119,961,026

The notes on pages 6 to 36 are an integral part of these condensed interim financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

	Share capital	Other reserves	Treasury shares	Retained earnings	Total attributable to the equity holders of the Fund
Balance as at 1 January 2023	3,233,269,111	667,020,430	(1,194,334,988)	11,863,588,989	14,569,543,542
(Loss) for the period	-	-	-	(968,885,542)	(968,885,542)
Total comprehensive income for the period	-	-	-	(968,885,542)	(968,885,542)
Transactions with owners, recorded directly in equity					
Profit appropriation to other reserves	-	908,845,064	-	(908,845,064)	-
Dividends declared	-	-	-	(9,450,090,560)	(9,450,090,560)
Acquisition of treasury shares	-	-	(777,780,690)	-	(777,780,690)
Legal reserve transfer to retained earnings	-	(20,214,662)	-	20,214,662	-
Total transactions with owners recorded directly in equity	-	888,630,402	(777,780,690)	(10,338,720,962)	(10,227,871,250)
Balance as at 30 September 2023	3,233,269,111	1,555,650,832	(1,972,115,678)	555,982,485	3,372,786,750

The notes on pages 6 to 36 are an integral part of these condensed interim financial statements.

STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

	Period ended 30 September 2024	Period ended 30 September 2023
Cash flows from operating activities		
Proceeds from disposal of equity investments	432,616,168	9,281,212,040
Dividends received (net of withholding tax)	145,848,924	955,786,521
Interest received	28,057,140	138,930,003
Hidroelectrica IPO intermediaries	-	(245,854,489)
Dividend withholding tax payments performed	(58,338,790)	(22,199,528)
Suppliers and other taxes and fees paid	(13,003,493)	(28,402,398)
Sole Director administration fees	(33,274,039)	(59,243,918)
Subscriptions to share capital increase of portfolio companies	-	(2,678,640)
Other (payments performed)/amounts received, net	(771,885)	(720,518)
Net cash flows from operating activities	501,712,433	9,894,584,815
Cash flows from financing activities		
Dividends transferred corresponding to shareholders having specific legal status	(801,541)	(131,800)
Transfer to distribution accounts	(195,497,272)	(8,705,222,064)
Amounts afferent to distributions for which the statute of limitations has occurred	15,064,242	7,075,243
Acquisition cost of treasury shares	(216,258,772)	(761,972,449)
Payment of fees related to the short term bank loans	-	(68,471)
Net cash flows used in financing activities	(397,493,343)	(9,460,319,542)
Net increase in cash and cash equivalents	104,219,090	434,265,273
Cash and cash equivalents at the beginning of the period	191,332,267	911,757,882
Cash and cash equivalents at the end of the period as per the Statement of Cash Flows	295,551,357	1,346,023,155
Reconciliation of Statement of Cash Flows with the equivalent items reported in the Statement of Financial Position		
	30 September 2024	30 September 2023
Cash and current accounts (see Note 12)	593,861	875,456
Bank deposits with original maturities of less than three months (see Note 12)	294,957,496	1,345,147,699
Cash and cash equivalent as per Statement of Financial Position	295,551,357	1,346,023,155
Interest accrued on bank deposits (see Note 12)	39,259	583,837
Distributions bank accounts (see Note 12)	321,179,717	985,125,638
Government securities with original maturities of less than three months	-	202,025,911
Total cash and current accounts, deposits with banks, , distribution bank accounts and government bonds as per Statement of Financial Position	616,770,333	2,533,758,541

The notes on pages 6 to 36 are an integral part of these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(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, undertaking for collective investment, in the form of a closed end investment company, based on 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, Buzesti Street, 7th Floor, District 1, Bucharest.

Starting 1 April 2016, Fondul Proprietatea is an alternative investment fund as defined by the Directive 2011/61/EU (“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 intended to 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. 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 Alternative Investment Fund Managers Directive and local implementation regulations.

During the September 2023 GSM, the shareholders of the Fund approved the Sole Director’s mandate renewal for a period of 1 year, starting on 1 April 2024 and ending on 31 March 2025. The related contractual terms along with the execution of the Management Agreement were approved by the Fund’s shareholders during the 26 March 2024 OGSM.

During the same September 2023 GSM, the shareholders also approved that the Board of Nominees should launch a transparent and competitive selection procedure for the appointment of a new director based on investment expertise and experience for a mandate not exceeding four years from 1 April 2024, in accordance with the legal provisions in force. The shareholders also approved that the Board of Nominees is empowered to establish new terms and conditions for the evaluation and remuneration of the manager of the Fund corresponding to the new objectives, in line with international best practices and present them for approval by the GSM.

During the 27 September 2024 GSM, the Fund’s shareholders approved the extension of FTIS current mandate for one additional year, up to 31 March 2026, under the same terms and conditions. This extension is conditioned by the fact that by 31 March 2025, the shareholders (i) have not appointed a new AIFM and (ii) such appointment has not entered into force by the respective date.

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, 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

1. General information (continued)

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 nine-month period ended 30 September 2024 are not audited.

2. Basis of preparation

(a) Statement of compliance

These condensed interim financial statements for the nine-month period ended 30 June 2024 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 2023, prepared in accordance with IFRS. These condensed interim financial statements are available starting with 15 November 2024, on the Fund's official webpage, www.fondulproprietatea.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 nine-month period ended 30 September 2024 and determined that it 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 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 substantially all Fund investments are accounted for using the fair value model, the Fund has a set exit strategy for its equity positions through initial public offerings and/or private placements.

(b) Going concern

The Fund's Sole Director has at the authorization date of these condensed interim financial statements, a reasonable expectation that the Fund has adequate resources to meet all its obligations as and when they fall due and 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 to 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.

During the September 2023 GSM, the shareholders of the Fund approved the Sole Director's mandate renewal for a period of 1 year, starting on 1 April 2024 and ending on 31 March 2025. The related contractual terms along with the execution of the Management Agreement were approved by the Fund's shareholders during the 26 March 2024 OGSM.

During the same GSM, the Board of Nominees was empowered by the shareholders to initiate, organize a transparent selection procedure for a Fund Manager after 1 April 2025 and to establish new objectives, performance criteria and remuneration conditions realigned with these objectives and present them for approval by the shareholders.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

2. Basis of preparation (continued)

(b) Going concern (continued)

During the 27 September 2024 GSM, the Fund's shareholders approved the extension of FTIS current mandate for one additional year, up to 31 March 2026, under the same terms and conditions. This extension is conditioned by the fact that by 31 March 2025, the shareholders (i) have not appointed a new AIFM and (ii) such appointment has not entered into force by the respective date.

While assessing the appropriateness of the going concern basis, the Sole Director has also analysed the following events, factors and conditions related to the Fund's ability to continue as a going concern.

These events, factors and conditions include but are not limited to: the portfolio structure/composition at the end of the reporting period and expected developments/events for a period of at least 12 months, cash management policies and procedures implemented and related cash flow projections as well as shareholders decisions.

The Sole Director has concluded that the Fund is operating under normal circumstances relevant for a closed end fund, and there are no significant developments relevant to the going concern assessment compared to the latest audited financial statements.

(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, non-current assets held for sale, 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 30 September 2024 were as follows: 4.9756 RON/EUR, 4.4451 RON/USD and 5.9563 RON/GBP (30 September 2023: 4.9746 RON/EUR, 4.6864 RON/USD and 5.7433 RON/GBP).

(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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

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

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 4 – Financial assets and financial liabilities;
- Note 13 – Deferred tax;
- Note 14 – Equity investments;
- Note 15 – Non-current assets held for sale;
- Note 18 – Contingencies.

The Fund uses measurement techniques to develop accounting estimates in regards to the valuation of its holdings and other relevant assets and liabilities. It does so in order to measure these items at monetary amounts that cannot be observed directly and must instead be estimated.

(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. The Fund does not have any direct exposure to Russia or Ukraine. The Sole Director is closely monitoring developments that may impact financial markets including sanctions, actions by governments and developments in Ukraine itself. The Sole Director 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 Sole Director is not able to reliably estimate the impact as events are unfolding day-by-day.

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. Material accounting policies

The material 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 2023 and have been applied consistently to all periods presented in these condensed interim financial statements.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2024**

(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:

30 September 2024	Other financial assets at amortised cost	Fair value through profit or loss	Other financial liabilities at amortised cost	Total carrying amount	Fair value
Cash and current accounts	593,861	-	-	593,861	593,861
Distributions bank accounts	321,179,717	-	-	321,179,717	321,179,717
Deposits with banks	294,996,755	-	-	294,996,755	294,996,755
Equity investments	-	1,847,849,348	-	1,847,849,348	1,847,849,348
Other financial assets	669	-	-	669	669
Other financial liabilities	-	-	(10,843,161)	(10,843,161)	(10,843,161)
Payable to shareholders	-	-	(320,752,114)	(320,752,114)	(320,752,114)
Total	616,771,002	1,847,849,348	(331,595,275)	2,133,025,075	2,133,025,075

31 December 2023	Other financial assets at amortised cost	Fair value through profit or loss	Other financial liabilities at amortised cost	Total carrying amount	Fair value
Cash and current accounts	60,109	-	-	60,109	60,109
Distributions bank accounts	547,496,881	-	-	547,496,881	547,496,881
Deposits with banks	191,368,978	-	-	191,368,978	191,368,978
Equity investments	-	1,784,396,314	-	1,784,396,314	1,784,396,314
Non-current assets held for sale	-	432,616,169	-	432,616,169	432,616,169
Other financial liabilities	-	-	(22,952,573)	(22,952,573)	(22,952,573)
Payable to shareholders	-	-	(546,457,941)	(546,457,941)	(546,457,941)
Total	738,925,968	2,217,012,483	(569,410,514)	2,386,527,937	2,386,527,937

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).

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

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

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.

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.

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.

The table below presents the fair value amount and hierarchy of financial instruments carried at amortised cost as at 30 September 2024 and as at 31 December 2023:

30 September 2024	Amortised cost	Level 1	Level 2	Level 3	Total
Cash and current accounts	593,861	593,861	-	-	593,861
Distributions bank accounts	321,179,717	321,179,717	-	-	321,179,717
Deposits with banks	294,996,755	294,996,755	-	-	294,996,755
Other financial assets	669	-	-	669	669
Other financial liabilities	(10,843,161)	-	-	(10,843,161)	(10,843,161)
Payable to shareholders	(320,752,114)	-	-	(320,752,114)	(320,752,114)
Total	285,175,727	616,770,333	-	(331,594,606)	285,175,727

31 December 2023	Amortised cost	Level 1	Level 2	Level 3	Total
Cash and current accounts	60,109	60,109	-	-	60,109
Distributions bank accounts	547,496,881	547,496,881	-	-	547,496,881
Deposits with banks	191,368,978	191,368,978	-	-	191,368,978
Other financial liabilities	(22,952,573)	-	-	(22,952,573)	(22,952,573)
Payable to shareholders	(546,457,941)	-	-	(546,457,941)	(546,457,941)
Total	169,515,454	738,925,968	-	(569,410,514)	169,515,454

Considering the nature of the amounts (very short maturities and immaterial counterparty credit risk) the carrying amounts approximate the fair value of the instruments presented above.

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:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

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

30 September 2024	Level 1	Level 2	Level 3	Total
Equity investments:	110,055,918	-	1,737,793,430	1,847,849,348
Power utilities:				
generation	-	-	53,564,744	53,564,744
Infrastructure	-	-	1,303,751,471	1,303,751,471
Salt Mining	-	-	319,299,933	319,299,933
Aluminium	110,055,918	-	-	110,055,918
Postal services	-	-	17,398,691	17,398,691
Others	-	-	43,778,591	43,778,591
Total	110,055,918	-	1,737,793,430	1,847,849,348

31 December 2023	Level 1	Level 2	Level 3	Total
Equity investments:	112,242,460	-	1,672,153,855	1,784,396,314
Power utilities: generation	-	-	56,840,465	56,840,465
Infrastructure	-	-	1,235,851,681	1,235,851,681
Salt mining	-	-	318,399,807	318,399,807
Aluminium	112,242,460	-	-	112,242,460
Postal services	-	-	17,398,691	17,398,691
Others	-	-	43,663,211	43,663,211
Non-current assets held for sale (Power and gas utilities: distribution, supply)*	-	432,616,168	-	432,616,168
Total	112,242,460	432,616,168	1,672,153,855	2,217,012,482

*On 22 December 2023 the Fund and the majority shareholder of the Engie Romania SA, GDF International S.A, entered into an agreement for the sale of the entire shareholding in the company as described below. As such, the Fund has classified this holding as Level 2 as its value has been derived from the agreed upon sale price.

Valuation process

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 Fund's Sole Director believes that the fair values of the equity investments presented in these 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 the current context in the global financial markets. 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

4. Financial assets and financial liabilities (continued)

Valuation process (continued)

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 valuation process is performed at least annually by the Fund with support from independent external valuation service providers and has in scope all unlisted and listed illiquid companies, except companies which are in liquidation, dissolution, bankruptcy, insolvency, judicial reorganisation or which ceased their activity which are valued at nil.

Based on the significance of the holding and financial information provided, the Fund prepared updated valuation reports for the four largest portfolio holdings (valuation date: 31 May 2024): CN Aeroporturi Bucuresti SA, Administratia Porturilor Maritime SA, Societatea Nationala a Sarii SA and Complexul Energetic Oltenia SA.

The other valuation reports for the remaining portfolio companies were prepared as at 31 October 2023 (for 30 September 2023: 31 October 2022) based on the financial information available for the companies under valuation at the respective dates.

For Romaero SA and Mecon SA, which have been valued based on public information, the valuation date is 30 June 2023 (for 30 September 2023: the two companies were valued using market prices). Although the shares of Mecon SA started trading in Q2 2024, this did not result in an active market as defined in IFRS 13 - Valuation at fair value based on the analysis and judgment performed. Therefore, the Fund assessed that the market trades are not representative of the fair value of the holding due to the low volume and did not apply a mark-to-market valuation method. In accordance with the assessment performed and applicable regulations, the holding continued to be valued based on other valuation techniques, namely the valuation report prepared with the assistance of the external valuer.

On 22 December 2023 the Fund and the majority shareholder of the company, GDF International S.A, entered into an agreement for the sale of the entire holding in Engie Romania S.A. The Fund updated the valuation of this holding accordingly. The entire holding was sold on 20 February 2024 as described in Note 15 – Non-current assets held for sale.

For all holdings, the Fund's management has analysed the period between the date of the valuation reports and the date when these condensed interim financial statements 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 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 the available portfolio companies' financial information and of multiples values of publicly traded peer companies and will adjust the value of unlisted holdings accordingly, if the case.

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 interim condensed financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

4. Financial assets and financial liabilities (continued)

Valuation process Financial assets measured at fair value – Level 3

The table below presents the movement in Level 3 equity investments during the nine-month periods ended 30 September 2024 and 30 September 2023:

	9 months ended 30 September 2024	9 months ended 30 September 2023
Opening balance	1,672,153,855	13,582,168,395
Net unrealised gain recognised in profit or loss	65,639,575	204,578,187
Reclassification to non-current assets held for sale	-	(588,800,000)
Net realised (loss) recognised in profit or loss	-	(1,870,266,600)
Subscriptions to share capital increase of portfolio companies	-	2,678,640
Disposals	-	(9,281,212,040)
Closing balance	1,737,793,429	2,049,146,582

The valuation for the Level 3 equity investments as at 30 September 2024 was prepared as follows:

- 94.76% of the fair value of Level 3 equity investments was determined based on the valuation report updated with the assistance of the external valuation services provider as at 31 May 2024;
- 5.20% of the fair value of Level 3 equity investments was determined based on the valuation report updated with the assistance of the external valuation services provider as at 31 October 2023;
- 0.04% of the fair value of Level 3 equity investments representing listed but illiquid holdings was determined based on other valuation methods;
- the holdings in companies in liquidation, dissolution, bankruptcy, insolvency, judicial reorganisation or which ceased their activity were valued at nil.

The valuation for the Level 3 equity investments as at 31 December 2023 was prepared as follows:

- 96.56% of the fair value of Level 3 equity investments was determined based on the valuation report updated with the assistance of the external valuation services provider as at 31 October 2023;
- 3.40% of the fair value of Level 3 equity investments was determined based on the valuation report updated with the assistance of the external valuation services provider as at 31 December 2023;
- 0.04% of the fair value of Level 3 equity investments representing listed but illiquid holdings was determined based on other valuation methods;
- the holdings in companies in liquidation, dissolution, bankruptcy, insolvency, judicial reorganisation or which ceased their activity were valued at nil.

As at 30 September 2024 and 31 December 2023, the fair value for 2.3% of the Level 3 equity investments was determined by applying the market comparison technique using comparable trading multiples for EBITDA and Price/Earnings indicators, while the fair value for 97.5% of the Level 3 equity investments was determined by applying the income approach using the discounted cash flow method.

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.

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

4. Financial assets and financial liabilities (continued)

Valuation process Financial assets measured at fair value – Level 3 (continued)

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.

Long-term growth rate (g), also known as the terminal growth rate, is the rate at which a company's cash flows are expected to grow indefinitely into the future. It represents the long-term sustainable growth that a company can achieve.

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.

For the portfolio company CN Aeroporturi Bucuresti SA a significant unobservable input is linked to the final outcome of the share capital increase process that the company needs to implement by incorporating the plot of land. Assuming the share capital increase is performed at a reasonable valuation of the plot of land, it is the Fund's intention to participate with cash in order to preserve its stake in the holding. The Fund will initiate any necessary legal actions to protect the interest of the shareholders, as needed and depending on the future actions the company will take related to the capital increase process. Please see Note 14 Equity investments – CNAB litigation section for more information.

Fondul Proprietatea is not directly affected by climate related matters. However, Fondul owns holdings in a number of portfolio companies which by the specific of their activity are impacted by climate related matters. The assessment of climate-related factors and their impact on valuation require comprehensive and detailed company-specific data related to a set of environmental, ecological, economic, social and governance factors. The process of reaching a globally accepted set of standards to incorporate ESG considerations into the valuation of a business is still in progress. For the relevant portfolio companies, based on the information available, under income approach a higher volatility embedded in the market risk premium was considered compared to previous year. Given the lack of transparency regarding the ESG impact on the portfolio companies and peers' profitability and future growth, generally no adjustments were applied in the market multiples used as within the market approach, as these were deemed to already reflect the investors perspective regarding the companies' profitability and risk related to ESG factors. Please note that at 30 September 2024 and 31 December 2023 the income approach is the main method for most of the portfolio holdings (97.5%) as described above.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

4. Financial assets and financial liabilities (continued)

Valuation process Financial assets measured at fair value – Level 3 (continued)

The following tables set out information about the significant unobservable inputs used at 30 September 2024 and 31 December 2023 in measuring equity instruments classified as Level 3 in the fair value hierarchy:

Financial assets	Fair value as at 30 September 2024	Main valuation technique	Unobservable inputs range (weighted average)	Relationship of unobservable inputs to fair value
Total	1,737,793,430			
Unlisted equity instruments and listed illiquid equity instruments	1,695,459,560	Income approach – discounted cash flow method (DCF)	<p>EBIT estimated for each company</p> <p>Weighted average cost of capital ranging from 11.4% - 16.91% (12.98%)</p> <p>Discount for lack of marketability ranging from 11.4% - 16.1% (15.78%)</p> <p>Discount for lack of control: 0% - 27% (18.12%)</p> <p>Long-term growth rate: 2.50% - 3% (2.50%)</p>	<p>The higher the EBIT estimates, the higher the fair value.</p> <p>The lower the weighted average cost of capital, the higher the fair value.</p> <p>The lower the discount for the lack of marketability, the higher the fair value.</p> <p>The lower the discount for the lack of control, the higher the fair value.</p> <p>The higher the long-term growth rate, the higher the fair value.</p>
Unlisted equity instruments	21,800,958	Market approach - comparable companies (based on EBITDA multiple)	<p>EBITDA estimated for each company</p> <p>EBITDA multiple: 4.80</p> <p>Discount for lack of marketability: 16.1%</p>	<p>The higher the EBITDA estimates, the higher the fair value.</p> <p>The higher the EBITDA multiple, the higher the fair value.</p> <p>The lower discount for lack of marketability, the higher the fair value.</p>
Unlisted equity instruments	17,398,691	Market approach - comparable companies (based on Price /Earnings multiple)	<p>Price/Earnings value: 6.09</p> <p>Discount for lack of marketability: 22.1%</p>	<p>The higher the Price /Earnings multiple, the higher the fair value.</p> <p>The lower the discount for the lack of marketability, the higher the fair value.</p>
Listed illiquid equity instruments	2,389,495	Asset based approach	Discount for lack of marketability: 30.1%	<p>The lower discount for lack of marketability, the higher the fair value.</p> <p>The asset based approach implies actual financial data obtained for the company (public) based on which quantitative unobservable adjustments are made by the valuers. The significance of the adjustment is directly seen in the resulting value of the company.</p>
Unlisted equity instruments	-	Market approach - comparable companies (based on Revenue multiple)	Revenue multiple: 0.5	The costs with emission certificates that were not provisioned were higher than the estimated value of the enterprise, thus the market method approach resulted in a valuation of 0 Lei and the DCF method could not be applied, because all future cash flows were negative.
Listed illiquid equity instruments	744,726	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. Only IOR SA is included in this category at 30 September 2024.	

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

4. Financial assets and financial liabilities (continued)

Valuation process Financial assets measured at fair value – Level 3 (continued)

Financial assets	Fair value as at 31 December 2023	Main valuation technique	Unobservable inputs range (weighted average)	Relationship of unobservable inputs to fair value
Total	1,672,153,855			
Unlisted equity instruments and listed illiquid equity instruments	1,629,935,366	Income approach – discounted cash flow method (DCF)	<p>EBIT estimated for each company</p> <p>Weighted average cost of capital ranging from 11.4% - 16.91% (12.99%)</p> <p>Discount for lack of marketability ranging from 11.4% - 16.1% (15.77%)</p> <p>Discount for lack of control: 0% - 27% (18.29%)</p> <p>Long-term growth rate: 2.50% - 3% (2.50%)</p>	<p>The higher the EBIT estimates, the higher the fair value.</p> <p>The lower the weighted average cost of capital, the higher the fair value.</p> <p>The lower the discount for the lack of marketability, the higher the fair value.</p> <p>The lower the discount for the lack of control, the higher the fair value.</p> <p>The higher the long-term growth rate, the higher the fair value.</p>
Unlisted equity instruments	21,800,958	Market approach - comparable companies (based on EBITDA multiple)	<p>EBITDA estimated for each company</p> <p>EBITDA multiple: 4.80</p> <p>Discount for lack of marketability: 16.1%</p>	<p>The higher the EBITDA estimates, the higher the fair value.</p> <p>The higher the EBITDA multiple, the higher the fair value.</p> <p>The lower discount for lack of marketability, the higher the fair value.</p>
Unlisted equity instruments	17,398,691	Market approach - comparable companies (based on Price /Earnings multiple)	<p>Price/Earnings value: 6.09</p> <p>Discount for lack of marketability: 22.1%</p>	<p>The higher the Price /Earnings multiple, the higher the fair value.</p> <p>The lower the discount for the lack of marketability, the higher the fair value.</p>
Listed illiquid equity instruments	2,389,495	Asset based approach	Discount for lack of marketability: 30.1%	<p>The lower discount for lack of marketability, the higher the fair value.</p> <p>The asset based approach implies actual financial data obtained for the company (public) based on which quantitative unobservable adjustments are made by the valuers. The significance of the adjustment is directly seen in the resulting value of the company.</p>
Unlisted equity instruments	-	Market approach - comparable companies (based on Revenue multiple)	Revenue multiple: 0.5	The costs with emission certificates that were not provisioned were higher than the estimated value of the enterprise, thus the market method approach resulted in a valuation of 0 Lei and the DCF method could not be applied, because all future cash flows were negative.
Listed illiquid equity instruments	629,346	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. Only IOR SA is included in this category at 31 December 2024.	

As at 30 September 2024 and 31 December 2023, the Fund's investments in companies in liquidation, dissolution, bankruptcy, insolvency, judicial reorganisation or which ceased their activity are valued at nil.

Although Fund's management believes that its estimates of fair value for these equity investments are appropriate, the use of different methodologies or assumptions could lead to different measurement of fair value.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

5. Gross dividend income

	9 months ended 30 September 2024	9 months ended 30 September 2023
CN Aeroporturi Bucuresti SA	80,369,314	31,486,581
Societatea Nationala a Sarii SA	63,728,624	55,996,590
Hidroelectrica SA	-	867,437,770
CN Administratia Porturilor Maritime SA	-	5,728,126
Others	1,750,986	2,117,861
Total	145,848,924	962,766,928

The dividend income was subject to 8% Romanian withholding tax during the nine-month periods ended 30 September 2024 and 30 September 2023. In cases where the relevant shareholding of the Fund was above 10% of total share capital of the paying company, for at least one year prior to the dividend distribution date, a withholding tax exemption is applied.

According to the Annual Cash Distribution Policy of the Fund, the special cash distributions received from portfolio companies are not subject to Fund's dividend distribution to shareholders. The Fund Manager may propose the distribution to shareholders of such amounts after considering the on-going measures imposed by the Discount Control Mechanism and the available cash. For the purpose of the Annual Cash Distribution Policy of the Fund, the special cash distributions are the amounts distributed by the portfolio companies from other sources than the annual net profit included in the latest annual financial statements. There were no special cash distributions for the nine-month period ended 30 September 2024 (six-month period ended 30 September 2023: RON 87,369,624).

6. Net gain/(loss) from equity investments at fair value through profit or loss

	9 months ended 30 September 2024	9 months ended 30 September 2023
Unrealised gain from equity investments at fair value through profit or loss	68,915,296	219,269,126
Unrealised loss from equity investments at fair value through profit or loss	(5,462,263)	(15,784,210)
Realised loss from equity investments at fair value through profit or loss	-	(1,870,266,600)
Total	63,453,033	(1,666,781,684)

The unrealised gain from equity investments at fair value through profit or loss for the nine-month period ended 30 September 2024 was mainly generated by the change in fair value for the holdings in CN Aeroporturi Bucuresti SA (unrealised gain of RON 46,799,848) and CN Administratia Porturilor Maritime SA (unrealised gain of RON 21,099,942).

The unrealised gain from equity investments at fair value through profit or loss for the nine-month period ended 30 September 2023 was mainly generated by the change in fair value for the holdings in CN Aeroporturi Bucuresti SA (unrealised gain of RON 115,100,000), Engie Romania SA (unrealised gain of RON 49,600,000), CN Administratia Porturilor Maritime SA (unrealised gain of RON 30,200,000) and Societatea Nationala a Sarii SA (unrealised gain of RON 23,500,000).

The unrealised loss from equity investments at fair value through profit or loss for the nine-month period ended 30 September 2024 was generated by the negative change in fair value for the holding in Complexul Energetic Oltenia SA (unrealised loss of RON 3,275,722) and share price decrease for listed holding Alro SA (unrealised loss of RON 2,186,541).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

6. Net gain/(loss) from equity investments at fair value through profit or loss (continued)

The unrealised loss from equity investments at fair value through profit or loss for the nine-month period ended 30 September 2023 was mainly generated by the share price decrease for listed holding Romaero SA (unrealised loss of RON 14,690,939).

The realised loss from equity investment at fair value through profit or loss for the nine-month period ended 30 September 2023 was generated by the negative change in fair value for Hidroelectrica SA following the fair value adjustment made to bring the participation to IPO price (RON 1,870,266,600 decrease).

The amounts disclosed refer to the net gain and loss for the period at portfolio holding level.

7. Net gain from non-current assets held for sale valued at fair value through profit or loss

The unrealised net gain from non-current assets held for sale valued at fair value through profit or loss for the nine-month period ended 30 September 2023 in amount of RON 61,200,000 was mainly generated by the change in fair value for the holdings in E-Distributie Muntenia SA (unrealised gain of RON 39,601,978) and Enel Energie Muntenia SA (unrealised gain of RON 21,599,628).

The amounts disclosed refer to the net gain and loss for the period at portfolio holding level.

8. Interest income

The interest income recorded for the nine month period ended 30 September 2024 was generated through cash placements performed by the Fund under the regular cash management process. A significant part of the income recorded was generated by interest on distribution accounts related to uncollected balances from the September 2023 distribution (see Note 16(a) for more details).

The interest income recorded for the nine-month period ended 30 September 2023 of RON 138,989,562 was mainly generated by the cash inflows from Hidroelectrica IPO. The proceeds from this transaction were placed in various short-term instruments for the period between the IPO settlement date and the Payment date of the dividend distribution approved by the shareholders on 18 August 2023, which occurred on 29 September 2023. These instruments included bank deposits, treasury bills and government bonds.

9. Operating expenses

	9 months ended 30 September 2024	9 months ended 30 September 2023
FTIS administration fees (i)	16,130,581	199,852,266
Third party services (ii)	7,508,402	5,476,343
FSA monthly fees (iii)	1,604,448	8,134,482
BON remunerations and related taxes (iv)	1,209,599	1,277,667
Other Board of Nominees related costs (v)	412,968	767,182
Fund Manager selection expenses (vi)	502,160	-
Depository bank fee	45,320	406,420
Intermediaries and other transaction related fees (vii)	-	242,825,880
Other operating expenses	87,636	522,791
	27,501,114	459,263,031

(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.

The administration fees recorded during the nine-month ended 30 September 2024 and the nine-month period ended 30 September 2023 are presented in the table below:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

9. Operating expenses (continued)

(i) FTIS administration fees (continued)

	9 months ended 30 September 2024	9 months ended 30 September 2023
Base fee	12,414,306	34,508,885
Distribution fee related to dividend distributions to shareholders	3,716,275	165,343,381
Administration fees recognised in profit or loss	16,130,581	199,852,266
Distribution fees related to buy-backs recognised in equity	3,782,682	17,017,151
Total administration fees	19,913,264	216,869,418

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

The decrease in base fee seen between the two periods is due to the fact that the Fund's total market capitalization (calculation base for the fee) significantly decreased following Hidroelectrica IPO proceeds distribution and also due to buybacks performed. The decrease was partially offset by the increase in base fee percentage included in the new Management Agreement which was approved by shareholders during the 26 March 2024 OGSM applicable starting with 1 April 2024 to 31 March 2025 – new base fee: 1.35% compared to previous percentage of 0.45%. The Management Agreement extension approved by the shareholders during the 27 September 2024 meeting, which may commence on 1 April 2025, contains the same contractual terms as per current contract.

The significant decrease in the dividend distribution fee is due to the fees related to the Hidroelectrica IPO proceeds distribution performed during 2023 which amounted to RON 9,180.2 billion generating a distribution fee of RON 160.6 million.

The distribution fees related to buy-backs recognised in equity are included in caption Treasury Shares in the Statement of Financial position for both 30 September 2024 and 31 December 2023. The significant decrease seen between the two periods is mainly related to the decrease in the Fund's share price following the dividend disbursement (Hidroelectrica IPO proceeds) adjustment performed by the Bucharest Stock Exchange (total value of buy-backs being the calculation base for the fee). The price adjustment was performed on 7 September 2023 and resulted in an 81% price drop.

(ii) Third party services

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

	9 months ended 30 September 2024	9 months ended 30 September 2023
Legal consultancy and litigation assistance	3,212,655	1,814,852
Financial auditor's fees	654,237	493,274
Investors' relations expenses	539,606	608,683
GSM organization	527,361	193,359
Regulatory and compliance expenses	438,204	254,973
Tax compliance and advisory services	436,231	331,354
Public relations services	349,729	694,731
Government relations consultancy services	346,307	177,967
Portfolio valuation services	306,724	70,309
Software maintenance	147,590	162,347
Other services	549,758	674,492
	7,508,402	5,476,342

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

9. Operating expenses (continued)
(ii) Third party services (continued)

Other services mainly include internal audit fees, Central Depository distribution fees and Jefferies Corporate brokerage fees.

The financial audit fees are recorded in the year they relate to. The financial auditor of Fondul Proprietatea for the financial year ended 31 December 2023 and for the financial year which will end on 31 December 2024 is Ernst & Young Assurance Services SRL.

(iii) FSA monthly fees

During the nine-month periods ended 30 September 2024 and 30 September 2023, the FSA fee was 0.0078% per month applied on the total net asset value. The decrease seen between the two periods is due to the fact that the Fund's total net asset value significantly decreased following Hidroelectrica IPO proceeds distribution.

(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) Related parties for further details).

(v) Other Board of Nominees related costs

Other costs incurred by the Fund in relation to the members of the Board of Nominees comprised:

	9 months ended 30 September 2024	9 months ended 30 September 2023
Professional insurance costs	243,564	277,697
Advisory services	36,093	64,421
Other costs (accommodation, transport, meals etc.)	133,311	425,064
	412,968	767,182

Advisory services for the nine-month periods ended 30 September 2024 and 30 September 2023 mainly include legal consultant fees engaged to support the Board of Nominees in performing their duties.

(vi) Fund Manager selection expenses

Include fees incurred for the services provided by the selection advisor pursuant to its appointment in accordance with Resolution no. 14 of 27 September 2024 GSM. Total 2024 budgeted expenses were approved by the shareholders with Resolution no. 15 of 27 September 2024 GSM.

(vii) Intermediaries and other transaction related fees

For the nine-month period ended 30 September 2023, these fees were mainly related to costs for the listing of Hidroelectrica SA and mainly include bank, legal and other consultant fees.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

10. Income tax

	9 months ended 30 September 2024	9 months ended 30 September 2023
Reconciliation of effective tax rate		
Net profit/(loss) for the period	209,642,442	(968,885,542)
Income tax	(1,268,707)	-
Withholding tax on the dividend income	-	(6,980,407)
Profit/(loss) excluding income tax	210,911,149	(961,905,135)
 Income tax (expense)/ benefit using the standard tax rate (16%)	 (33,745,784)	 153,904,822
<i>Impact on the income tax of:</i>		
Non-taxable income (other than dividend income)	25,006,579	1,558,906,286
Taxation applied on dividend income	23,335,828	147,062,301
Non-deductible expenses	(18,825,648)	(1,889,479,764)
Elements similar to revenues (taxable equity items)	(37,556,381)	(3,234,346)
Fiscal result impact in the current period considering the available for use brought forward fiscal loss	29,249,784	25,860,294
Tax on income	(12,535,622)	(6,980,407)
Tax booked directly to equity as per IAS 12 requirements - Legal reserve reduction	10,544,995	-
Tax booked directly to equity as per IAS 12 requirements - Reversal of dividends for which the statute of limitations has occurred	721,919	
Income tax	(1,268,708)	
Withholding tax on the dividend income		(6,980,407)

Starting with 1 January 2024, entities showing a tax profit will be able to offset only 70% of this tax profit with past tax losses. The remaining 30% of any tax profit is subject to Romanian corporate income tax at the 16%.

The fiscal result impact as at 30 September 2024 of RON 29,249,784 represents the utilizable amount at 30 September 2024 of the brought forward fiscal loss as per the legislative change presented above.

The fiscal result impact as at 30 September 2023 of RON 25,860,294 included in the table above represents the current tax on profit for the nine-month period ended 30 September 2023 which was offset by the Fund's tax losses carried forward.

During the 30 April 2024 GSM, the shareholders approved the decrease of the legal reserve of Fondul Proprietatea by RON 219,687,404.45 to be performed once the 2024 share capital decrease process, which was also approved during the same meeting, is finalised – Please see Note 17(a) for more details.

According to IAS 12 requirements, the accounting for the current and deferred tax effects of a transaction or other event is consistent with the accounting for the transaction or event itself. As such, as the reduction in legal reserve was performed directly in equity, the income tax that resulted from the transaction was also recorded directly in retained earnings (RON 10,544,995 from the table above).

Also, during the nine-month period ended 30 September 2024, the statute of limitations for two dividend distributions occurred (initial payment dates of: 22 June 2021 and 27 August 2021) and, as such, the Fund transferred the related amounts (total RON: 15,039,974) to retained earnings to be at the disposal of the shareholders for future use.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

10. Income tax (continued)

Considering the IAS 12 requirements stated above, this booking also generated income tax in amount of RON 721,919 as seen in the table above, which was recorded directly to retained earnings.

Non-taxable income and non-deductible expenses are mainly generated by fair value gains / losses and by dividend income related to the equity portfolio companies in which the Fund has held more than 10% stake for more than one year continuously.

Regarding the deferred tax computation and recognition, please see Note 13 Deferred tax.

11. Basic and diluted earnings/(loss) 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 30 September 2024 and 30 September 2023, none of the Fund's issued shares or other instruments had dilutive effect, therefore basic and diluted earnings per share are the same.

	9 months ended 30 September 2024	9 months ended 30 September 2023
Profit/(Loss) for the period	209,642,442	(968,885,542)
Weighted average number of ordinary shares	3,520,133,484	5,456,437,663
Basic and diluted earnings per share	0.0596	(0.1776)

12. Cash and current accounts, deposits with banks and distribution accounts

	30 September 2024	31 December 2023
Petty cash	416	416
Current accounts with banks	593,445	59,693
Cash and current accounts	593,861	60,109

	30 September 2024	31 December 2023
Bank deposits with original maturities of less than three months	294,957,496	191,272,158
Interest accrued on bank deposits	39,259	96,820
Deposits with banks	294,996,755	191,368,978

	30 September 2024	31 December 2023
Distributions bank accounts	320,332,299	546,066,907
Interest accrued on distributions bank accounts	847,418	1,429,974
Distributions bank accounts	321,179,717	547,496,881

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.

The distribution accounts have the nature of an account for dividend payments restricted for operational use (for any other use than payments to shareholders) until the 3-year statute of limitation expires. As a result, the distribution accounts are not included in cash and cash equivalents for the purpose of cash flow statement presentation.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

13. Deferred tax

As at 30 September 2024 and 31 December 2023 there is no significant temporary 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 30 September 2024 and 31 December 2023, the net deferred tax position is nil as the Fund did not recognise any deferred tax asset or deferred tax liability.

As at 30 September 2024 the unused fiscal loss carried forward amounts to RON 302,236,541 out of which RON 105,582,746 will expire on 31 December 2027 and RON 196,653,795 will expire on 31 December 2029.

As at 31 December 2023 the unused fiscal loss carried forward amounts to RON 485,047,689 out of which RON 288,393,894 will expire on 31 December 2027 and RON 196,653,795 will expire on 31 December 2029.

There was no movement in the deferred tax position during the nine-month periods ended 30 September 2024 and 30 September 2023. 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 and liquid securities) or assessed using valuation techniques in accordance with International Valuation Standards (unlisted and listed illiquid securities);
- Valued at nil, for holdings in companies in liquidation, dissolution, bankruptcy, insolvency, judicial reorganisation or which ceased their activity.

Portfolio

As at 30 September 2024 and 31 December 2023 the Fund's portfolio comprised the following holdings:

	30 September 2024	31 December 2023
CN Aeroporturi Bucuresti SA	924,499,781	877,699,934
Administratia Porturilor Maritime SA	349,399,935	328,299,993
Societatea Nationala a Sarii SA	319,299,933	318,399,807
Alro SA	110,055,918	112,242,460
Complexul Energetic Oltenia SA	53,564,744	56,840,465
Zirom SA	28,584,600	28,584,600
Posta Romana SA	17,398,691	17,398,691
CN Administratia Canalelor Navigabile SA	15,563,316	15,563,316
Alcom SA	10,071,875	10,071,875
Engie Romania SA	-	432,616,168
Other	19,410,554	19,295,174
Total equity investments	1,847,849,348	2,217,012,482
Reclassified as non-current assets held for sale	-	(432,616,168)
Total equity investments as per balance sheet	1,847,849,348	1,784,396,314

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

14. Equity investments (continued)
Portfolio (continued)

As 30 September 2024 and 31 December 2023 the Fund had the following subsidiaries, both incorporated in Romania:

	30 September 2024	31 December 2023
Zirom SA	28,584,600	28,584,600
Alcom SA	10,071,875	10,071,875
	38,656,475	38,656,475

As 30 September 2024 and 31 December 2023 the Fund had two associates, both incorporated in Romania:

	30 September 2024	31 December 2023
Societatea Nationala a Sarii SA	319,299,933	318,399,807
Plafar SA	1,987,896	1,987,896
	321,287,829	320,387,703

Please see Note 19 (b) and (c)– Related parties for information on the transactions and balances registered with these companies

The movement in the carrying amounts of equity investments at fair value through profit or loss during the nine-month period ended 30 September 2024 and the nine-month period ended 30 September 2023 is presented below:

	9 months ended 30 September 2024	9 months ended 30 September 2023
Opening balance	1,784,396,314	13,696,597,396
Net gain/(loss) from equity investments at fair value through profit or loss	63,453,034	(1,666,781,684)
Subscriptions to share capital increase of portfolio companies	-	2,678,640
Disposals	-	(9,281,212,039)
Reclassification to non-current assets held for sale	-	(588,800,000)
Closing balance	1,847,849,348	2,162,482,313

CN Aeroporturi Bucuresti SA (“CNAB”) litigation
Details regarding share capital increase

A full description regarding the share capital increase process of CNAB and related litigation developments is included in the annual financial statements for the year ended 31 December 2023.

On 7 March 2024 the Bucharest Court of Appeal admitted the appeal filed by the Fund, annulling Resolution no. 15/ 26 October 2021 of CN Aeroporturi Bucuresti SA GSM for the approval of a share capital increase with the plots of land inside Baneasa airport, brought as Romanian State’s contribution in kind to the company’s share capital. The decision issued by the Bucharest Court of Appeal is final.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

14. Equity investments (continued)

CN Aeroporturi Bucuresti SA ("CNAB") litigation (continued)

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

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

- Opposition against the registration of EGM Resolution no. 15/26.10.2021 with the Trade Register - on 11 February 2022, the Ilfov Court has suspended the opposition pending a final decision in the main file; at the 8 November 2024 hearing, the court reinstated the file on the docket and has deferred its decision on the opposition until 22 November 2024;
- Action against the Certificates of attestation of the right of ownership (RO: "Certificate de atestare a dreptului de proprietate") - the on 10 October 2024 the court decided to stay the proceedings pending the resolution of a plea of unconstitutionality raised by the Fund with regard to certain provisions from the Contentious administrative Law no. 554/2004 ;
- Action against the valuation report issued by ANG Consulting SRL - on 20 February 2024, the judge decided that another specialised section of the same Court is entitled to have jurisdiction on solving the case; the next hearing is scheduled for 10 December 2024;
- Action for annulment of the EGM Resolution no. 14/24.09.2019 for the annulment of the decision based on which ANG Consulting SRL performed the valuation; at the 5 November 2024 hearing the parties pleaded on the merits of the case and the court has deferred a decision until 20 November.

Valuation of CN Aeroporturi Bucuresti SA

For 30 September 2024 and 31 December 2023 reporting purposes, the Fund's holding in CN Aeroporturi Bucuresti SA was valued using the same assumptions and valuation methodology as in the previous valuation reports prepared during 2023. The Sole Director will analyse the full decision of the Bucharest Court of Appeal once this is available as well as the future actions of CN Aeroporturi Bucuresti SA and their potential impact on the valuation of the company.

15. Non-current assets held for sale

There were no assets classified as non-current assets held for sale as at 30 September 2024.

On 11 December 2023 The Fund received a binding offer from GDF International S.A., the majority shareholder of Engie Romania SA, in relation to a potential sale of Fondul Proprietatea entire shareholding in Engie Romania S.A., for a consideration of EUR 87 million. Furthermore to the information presented above, The Fund and the majority shareholder entered on 22 December 2023 into an agreement for the sale of the entire shareholding in Engie Romania S.A. in exchange for a total consideration of RON 432,616,168.

Considering that all the requirements set forth in IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" were met, the Fund classified the holding as a non-current asset held for sale and was presented as such in the annual financial statements for the year ended 31 December 2023. The transaction was finalised on 20 February 2024. All proceeds have been collected and the Fund does not hold any shares in Engie Romania SA as at 30 September 2024.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

16. Liabilities
(a) Payable to shareholders

Total dividends payable at 30 September 2024 amount to RON 320,752,114 (31 December 2023: RON 546,457,941)

Dividends payable at 30 September 2024 and 31 December 2023 are mostly related to the distribution approved by the Fund's shareholders on 18 August 2023 by which the Hidroelectrica IPO proceeds were distributed to shareholders (78% out of total dividends payable at 30 September 2024 and 85% out of total dividends payable at 31 December 2023).

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

	9 months ended 30 September 2024	9 months ended 30 September 2023
Opening balance	546,457,941	74,166,644
Gross distributions approved during the period out of which	212,452,479	9,450,090,560
-Annual dividends	-	269,837,832
-Special dividends	212,452,479	9,180,252,728
Payments of net distributions (dividends) performed from the dedicated bank accounts	(407,716,232)	(7,787,068,710)
Withholding tax payable to state budget	(15,402,100)	(744,605,695)
Distributions for which the statute of limitation occurred	(15,039,974)	-
Closing balance	320,752,114	992,582,799

(b) Other liabilities and provisions

	30 September 2024	31 December 2023
Income tax payables	11,638,799	-
FTIS Administration fees	7,944,847	21,297,284
Tax on dividends due to State Budget	1,212,619	44,149,354
FTIS recharges	435,537	-
Financial Supervisory Authority fees	179,140	188,014
Other liabilities	2,496,271	1,694,268
	23,907,213	67,328,920

Income tax payables relate to the income tax generated mainly by the fiscal effect of the legal reserve reduction as described in Note 10 – Income tax.

The Administration fee payables recorded at 30 September 2024 mainly relate to regular base fee and also distribution fees generated by the public tender offer finalised on 25 September 2024 by which the Fund bought back 269,000,000 shares in the form of shares or GDR equivalent. The FTIS Administration fees at 31 December 2023 relate mainly to the distribution fee recorded following the finalisation on 5 December 2023 of the public tender offer through which the Fund bought back 1,670,000,000 shares in the form of shares and share equivalent GDRs. These amounts were paid during the nine-month period ended 30 September 2024.

The decrease seen in the caption Withholding tax on dividends is linked to the withholding tax registered for the RON 1.7225 gross dividend per share approved by the shareholders on 18 August 2023 and not collected by shareholders at 31 December 2023. As per Romanian legislation the entire withholding amount related to the uncollected dividends was paid to the State budget on 25 January 2024.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

16. Liabilities (continued)
(b) Other liabilities and provisions (continued)

For 30 September 2024 other liabilities caption mainly include fees due to intermediaries which assisted in the tender offer process, fees due to The Bank of New York Mellon (tender offer and GDR cancellation fee), fees due to the selection adviser for the new Fund Manager and other legal fees.

For 31 December 2023 other liabilities caption comprises mainly accruals recorded for fees due to The Bank of New York Mellon (tender offer and GDR cancellation fee), portfolio valuation services related accruals and other accruals related to the services received by the Fund.

17. Shareholders' equity
(a) Share capital

	9 months ended 30 September 2024	9 months ended 30 September 2023
Opening balance	2,947,779,187	3,233,269,111
Cancellation of treasury shares	(1,098,437,023)	-
Closing balance	1,849,342,164	3,233,269,111

During the nine-month period ended 30 September 2024, the paid in share capital of the Fund decreased by RON 1,098,437,022.28, from RON 2,947,779,186.56 to RON 1,849,342,164.28, pursuant to the cancellation on 30 August 2024 of 2,112,378,889 own shares acquired by Fondul Proprietatea during 2023 through the fourteenth buy-back programme.

During the year ended 31 December 2023, the paid in share capital of the Fund decreased by RON 285,489,924 from RON 3,233,269,110.76 to RON 2,947,779,186.56 following the cancellation on 12 October 2023 of 549,019,085 treasury shares acquired by the Fund within the thirteenth buyback programme.

Please see Note 20 -Subsequent events for information regarding the share capital decrease proposed by the Fund Manager through the cancellation of 355,642,723 own shares acquired by Fondul Proprietatea during 2024 through the 15th buy-back programme.

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

	30 September 2024	31 December 2023
Number of shares in issue	3,556,427,239	5,668,806,128
Nominal value per share (RON)	0.52	0.52

The shareholders structure as at 30 September 2024 and 31 December 2023 was as follows:

	30 September 2024		31 December 2023	
Shareholder categories	% of subscribed and paid share capital	% of voting rights	% of subscribed and paid share capital	% of voting rights
Romanian private individuals	44.92%	49.90%	23.42%	37.32%
Romanian institutional investors	20.25%	22.51%	24.41%	38.91%
Romanian State	10.42%	11.57%	6.53%	10.42%
Foreign private individuals	5.28%	5.87%	3.25%	5.18%
Foreign institutional investors	6.82%	7.57%	2.93%	4.67%
The Bank of New York Mellon (GDR depository)	2.70%	2.58%	2.20%	3.50%
Treasury shares	9.61%	0.00%	37.26%	0.00%
Total	100.00%	100.00%	100.00%	100.00%

Source: Depozitarul Central SA (Central Depositary)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

17. Shareholders' equity (continued)
(b) Other reserves

	30 September 2024	31 December 2023
Legal reserve (i)	369,868,433	646,653,823
Other reserves (ii)	-	908,845,064
Distributions for which the statute of limitation occurred	-	151,946
Losses from cancellation of treasury shares (negative equity reserves) (iii)	(774,756,258)	(908,845,064)
	(404,887,825)	646,805,769

(i) 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.

During the 30 April 2024 meeting, the shareholders approved the decrease of the legal reserve of Fondul Proprietatea by RON 57,097,985.69 from RON 646,653,823.00 representing 21.94% of the share capital to RON 589,555,837.31 representing 20.00% of the share capital.

Following the decrease, the corresponding amount was transferred to retained earnings and remains available for future use by shareholders.

During the same GSM the shareholders approved a further decrease of the legal reserve by RON 219,687,404.45 from RON 589,555,837.31 to RON 369,868,432.86, representing 20.00% of the share capital value after the implementation and effectiveness of the share capital decrease mentioned at point a) above.

(ii) 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.

During the GSM held on 21 April 2023, the Fund's shareholders also approved the allocation to other reserves of an amount of RON 908,845,064 from the 2022 net audited accounting profit to be used for covering the negative reserves estimated to arise in 2023 from the cancellation of treasury shares acquired during 2022 through the thirteenth buy-back programme.

During the GSM held on 30 April 2024, the Fund's shareholders approved to cover, from Other reserves, the negative reserves of RON 908,845,064 incurred in 2023 financial year as mentioned above.

(iii) 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. The amounts shown in the table at 31 December 2023 were covered from the other reserves specifically set up for this purpose (described at point (ii)) and in accordance with the resolution of the General Shareholders Meeting).

All buy-backs performed at an acquisition price higher than the nominal value generate negative reserves. Similarly, a positive equity element is recognised directly in equity, without any impact on profit or loss, upon cancellation of the shares acquired in a buy-back programme where the acquisition price is lower than the nominal value. The analysis and related bookings regarding the difference between the nominal value and the buy-back acquisition price, as described above, is performed at year end for the entire programme.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

17. Shareholders' equity (continued)
(b) Other reserves (continued)

The share capital decrease approved on 30 April 2024 and concluded on 30 August 2024, by which the share capital of the Fund decreased by RON 1,098,437,022.28, from RON 2,947,779,186.56 to RON 1,849,342,164.28 generated a negative equity reserve of RON 774,756,258 which can be covered with other equity elements as described above.

The table below shows the changes in other reserves and negative reserves, from the main category of Other reserves, recorded as result of the GSM decisions taken during the nine-month period ended 30 September 2024:

	Other reserves	Negative reserves
1 January 2024	908,845,064	(908,845,064)
Coverage of the negative reserve balance existing as at 31 December 2023 from other reserves, according to Resolution no.6 of 30 April 2024 Ordinary General Shareholders' Meeting	(908,845,064)	908,845,064
Negative equity reserve arising on the cancellation of shares acquired during the 14 th buy-back programme (recorded on 30 August 2024) according to share capital decrease Resolution no. 3 of 30 April 2024 Extraordinary General Shareholders' Meeting	-	(774,756,258)
30 September 2024	-	(774,756,258)

The table below shows the changes in other reserves and negative reserves, from the main category of Other reserves, recorded as result of the GSM decisions taken during the year ended 31 December 2023:

	Other reserves	Negative reserves
1 January 2023	230,576,693	(230,576,693)
Coverage of the negative reserve balance existing as at 31 December 2022 from other reserves, according to Resolution no.2 of 21 April 2023 Ordinary General Shareholders' Meeting	(230,576,693)	230,576,693
Allocation to other reserves from 2022 net audited accounting profit of amounts which will be used to cover the negative reserves arising from the cancelation of shares acquired during the 13 th buy-back programme according to Resolution no. 3 of 21 April 2023 Ordinary General Shareholders' Meeting	908,845,064	-
Negative equity reserve arising on the cancellation of shares acquired during the 13 th buy-back programme (recorded on 12 October 2023) according to share capital decrease Resolution no. 2 of 21 April 2023 Extraordinary General Shareholders' Meeting	-	(908,845,064)
31 December 2023	908,845,064	(908,845,064)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

17. Shareholders' equity (continued)

(c) Treasury shares

The table below summarises the details regarding the fifteenth buy-back programme, respectively the buy-back programme to be carried out during 2024:

Program	GSM date approving the buy-back programme	Starting date	Completion date	Acquisition price range as approved by GSM
	13-Feb-2024	date when the resolution related to the approval was published in the Official Gazette of Romania, Part IV (26 February 2024)	31-Dec-2024	0.2 – 1 RON per share
Fifteenth buy-back				

The fifteenth buy-back programme refers to the acquisition by the Fund of a maximum number of 1,000,000,000 shares and/or equivalent global depository receipts corresponding to the Fund's shares. On 25 June 2024, Emergency Government Ordinance no. 71/2024¹ was issued which limits buy-back operations to only once during a financial year, up to a maximum of 10% of the share capital. Please see Note 20 – Subsequent events for information regarding the end of the buy-back programme considering the new legislation mentioned.

On 4 September 2024, the FSA approved the public tender offer submitted by the Fund by which 269,000,000 shares were to be bought back in the form of shares and/or global depository receipts which represent the shares at a purchase price of RON 0.6622 per share and the USD equivalent of RON 33.1100 per GDR. Subscription period was set between 11 September 2024 and 25 September 2024 and the allocation method set was pro-rata. Please note that the initial number of shares and GDR equivalent shares to be bought back was set at 350,000,000 shares however the amount was modified due to the legislative restrictions brought forth by Emergency Government Ordinance no. 71/2024 as mentioned above.

On 25 September the Fund announced the completion of the tender offer with total subscriptions amounting to 1,845,722,562 shares representing 686.1422% of the offer (1,753,249,562 were subscribed in the form of shares and 92,473,000 shares in the form of global depository receipts which represent the shares, namely 1,849,460 GDRs). The settlement of the offer was finalised on 30 September 2024.

The movement in the number of treasury shares (including the equivalent shares of GDRs bought-back) during the nine-month periods ended 30 September 2024 and 30 September 2023 is presented in the tables below:

9 months ended 30 September 2024	Treasury shares number - opening balance	Acquisitions during the period	Cancellations during the period	Treasury shares number - closing balance
Fourteenth buy-back	2,112,378,889	-	(2,112,378,889)	-
Fifteenth buy-back	-	355,304,088	-	355,304,088
	2,112,378,889	355,304,088	(2,112,378,889)	355,304,088
9 months ended 30 September 2023	Treasury shares number - opening balance	Acquisitions during the period	Cancellations during the period	Treasury shares number - closing balance
Thirteen buy-back	549,019,085	-	-	549,019,085
Fourteenth buy-back	-	424,956,614	-	424,956,614
	549,019,085	424,956,614	-	973,975,699

¹ Emergency Government Ordinance 71/2024 for the amendment and completion of some normative acts, as well as for the establishment of measures to prevent and combat advertising and aggressive communication techniques practiced by entities that are not registered in the Register of the Financial Supervision Authority, which modified Law 243/2019 on the regulation of alternative investment funds and for the amendment and completion of some normative acts

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

17. Shareholders' equity (continued)
(c) Treasury shares (continued)

The movement of treasury shares carrying amounts during the nine-month periods ended 30 September 2024 and 30 September 2023 is presented in the tables below:

9 months ended 30 September 2024	Opening balance	Cost of treasury shares acquired	Cancellation of treasury shares	Closing balance
Fourteenth buy-back	1,873,193,280	-	(1,873,193,280)	-
Fifteenth buy-back	-	223,181,288	-	223,181,288
	1,873,193,280	223,181,288	(1,873,193,280)	223,181,288

9 months ended 30 September 2023	Opening balance	Cost of treasury shares acquired	Cancellation of treasury shares	Closing balance
Thirteen buy-back	1,194,334,988	-	-	1,194,334,988
Fourteenth buy-back	-	777,780,690	-	777,780,690
	1,194,334,988	777,780,690	-	1,972,115,678

(d) Dividend distributions

During the 30 April 2024 General Shareholders Meeting, the Fund's shareholders approved the distribution of a gross dividend of RON 0.06 per share from retained earnings. The shareholders registered in the shareholders' registry with the Central Depository on 17 May 2024 had the right to receive a gross dividend of RON 0.06 per share, proportionally with their participation in the paid in share capital of the Fund. The payment started on 7 June 2024.

During the 21 April 2023 General Shareholders Meeting, the Fund's shareholders approved the distribution of a gross dividend of RON 0.05 per share from 2022 financial year profit. The shareholders registered in the shareholders' registry with the Central Depository on 12 May 2023 had the right to receive a gross dividend of RON 0.05 per share, proportionally with their participation in the paid in share capital of the Fund. The payment started on 6 June 2023.

During the 18 August 2023 General Shareholders Meeting, the Fund's shareholders approved the distribution of a gross dividend of RON 1.7225 per share from retained earnings. The shareholders registered in the shareholders' registry with the Central Depository on 8 September 2023 had the right to receive dividends, proportionally with their participation in the paid in share capital of the Fund. The payment started on 29 September 2023. The dividend payment was funded by the Hidroelectrica SA IPO proceeds.

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.

18. Contingencies
(a) Litigations

At 30 September 2024, 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.

(b) Other contingencies

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

18. Contingencies (continued)

(b) Other contingencies (continued)

(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 filed the second appeal which was rejected by the High Court of Cassation and Justice on 1 April 2021. The Fund has initiated legal actions against World Trade Center Bucharest SA and the Ministry of Finance for recovering the amounts, of which one is still pending with the Court.

- a set of actions against World Trade Center Bucharest SA (challenges in the insolvency proceedings) has been dismissed as unfounded by final decision dated 16 September 2024 rendered by the Bucharest Court of Appeal.
- a claim against the Romanian State, represented by the Ministry of Public Finance, based on unjust enrichment, has been dismissed in first and second-tier court (on 18 June 2024). The Fund filed a final appeal against the second-tier court's decision; the first hearing before the final appeal court has been scheduled for 26 February 2025.

(ii) CN Aeroporturi Bucuresti SA share capital increase

Please see Note 14 – Equity investments, section CN Aeroporturi Bucuresti SA ("CNAB") litigation for information regarding this litigation.

(iii) Aeroportul International Timisoara SA share capital increase

During the GSM held on 9 June 2023, the majority shareholder approved a share capital increase of RON 25.2 million, by issuing 2,523,850 new shares at a nominal value of RON 10 per share, to finance a proposed investment project. Fondul Proprietatea challenged the validity of the GSM decision and during the legal proceedings, on 14 May 2024, the company passed a GSM resolution whereby they approved the revocation of the share capital increase decision. As a result thereof, on 21 June 2024 the court dismissed the claim as lacking object and awarded the Fund part of the legal costs.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

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

	9 months ended 30 September 2024	9 months ended 30 September 2023
BON gross remunerations, out of which:	1,209,599	1,277,667
Contributions to social security fund retained from gross remuneration	125,379	125,379
Contributions to health insurance fund retained from gross remuneration	50,156	50,157
Income tax	103,415	110,223
Net remunerations paid to BON members	930,649	991,908

Other costs incurred by the Fund in relation to the members of the Board of Nominees are detailed in note 9 – Operating expenses - (v) Other BON related costs.

There were no loans between the Fund and the members of the Board of Nominees neither in the nine-months period ended 30 September 2024 nor in the nine-months period ended 30 September 2023. There are no post-employment, long term or termination benefits related to the remuneration of the members of the Board of Nominees.

(ii) Sole Director

FTIS is the Sole Director and Alternative Investment Fund Manager of the Fund starting with 1 April 2016. Please see Note 1 – General information for more details.

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

Transactions	9 months ended 30 September 2024	9 months ended 30 September 2023
Administration fees	19,913,264	216,869,418

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

Transactions	9 months ended 30 September 2024	9 months ended 30 September 2023
Rent expense charged to the Fund	64,554	62,148
Operating cost charged to the Fund	23,078	24,678
	87,631	86,826

During the nine-month period ended 30 September 2024, the Fund recorded RON 448,186 (30 September 2023: RON 626,553) representing expenses incurred by FTIS Bucharest Branch on its behalf.

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:	30 September 2024	31 December 2023
FTIS Luxembourg	7,944,847	21,297,284
FTIS Bucharest Branch	435,537	203,407
	8,380,384	21,500,690

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

19. Related parties (continued)
(b) Subsidiaries

As described in Note 14 – Equity investments, the Fund has the following subsidiaries at 30 September 2024 and 31 December 2023:

Ownership interest	30 September 2024	31 December 2023
Zirom SA	100%	100%
Alcom SA	72%	72%

As at 30 September 2024 and 31 December 2023, the Fund had no commitment to provide financial or other support to its subsidiaries, including commitments to assist the subsidiaries in obtaining financial support.

	9 months ended 30 September 2024	9 months ended 30 September 2023
Gross dividend income		
Alcom SA	517,652	934,651

At 30 September 2024 and 31 December 2023 there were no dividends receivable from subsidiaries.

(c) Associates

As described in Note 14 – Equity investments, the Fund has the following associates at 30 September 2024 and 31 December 2023:

Ownership interest	30 September 2024	31 December 2023
Societatea Nationala a Sarii SA	49%	49%
Plafar SA	49%	49%

	9 months ended 30 September 2024	9 months ended 30 September 2023
Gross dividend income		
Societatea Nationala a Sarii SA	63,728,624	55,996,580

At 30 September 2024 and 31 December 2023 there were no dividends receivable from associates.

20. Subsequent events
End of buyback programme no.15

Considering the effects brought on by Emergency Government Ordinance no. 71/2024, on 8 October the Fund performed the final trade within buy-back programme no. 15, reaching the regulatory limit of 355,642,723 bought-back shares, representing 10% of number of shares in issue of 3,556,427,239.

The cancelation of the shares is subject to the shareholders' approval during the 2 December GSM as described at the following point.

2 December 2024 GSM

On 22 October 2024, the Fund published a convening notice with the following proposals:

- the delisting of the global depositary receipts issued by The Bank of New York and admitted to trading on the Specialist Fund Market of the London Stock Exchange, one GDR representing 50 underlying shares issued by Fondul Proprietatea S.A.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

(all amounts are in RON unless otherwise stated)

20. Subsequent events (continued)**2 December 2024 GSM (continued)**

- the approval of the decrease of the subscribed and paid-up share capital of Fondul Proprietatea by RON 184,934,215.96, from RON 1,849,342,164.28 to RON 1,664,407,948.32, pursuant to the cancellation of 355,642,723 own shares acquired by Fondul Proprietatea during 2024 through the 15th buy-back programme.
- The approval of a new buy-back programme for a total number of 320,000,000 shares and GDR share equivalent to be carried out during the financial year 2025 starting with the date when the resolution related to this approval is published in the Official Gazette of Romania, Part IV and until the maximum legal limit of 10% of the Fund's share capital is reached at a price that cannot be lower than RON 0.2 per share or higher than RON 1 per share.

Annex 2 Statement of Assets and Obligations of Fondul Proprietatea SA as at 30 September 2024, prepared in accordance with FSA Regulation nr. 7/2020 (Annex no. 11)

	Item	31 December 2023				30 September 2024				Differences RON
		% of the net asset	% of the total asset	Currency	Total RON	% of the net asset	% of the total asset	Currency	Total RON	
I.	Total assets	126.1171%	100.0000%		2,963,925,348.77	116.2578%	100.0000%		2,464,620,353.32	(499,304,995.45)
1	Securities and money market instruments, out of which:	5.3331%	4.2286%		125,333,174.29	5.8143%	5.0013%		123,262,012.88	(2,071,161.41)
1.1	securities and money market instruments admitted or within a trading place from Romania, out of which:	5.3331%	4.2286%		125,333,174.29	5.8143%	5.0013%		123,262,012.88	(2,071,161.41)
	1.1.1 listed shares traded in the last 30 trading days	4.8028%	3.8082%		112,871,805.08	5.3392%	4.5926%		113,190,138.28	318,333.20
	1.1.2 listed shares not traded in the last 30 trading days	0.5303%	0.4204%		12,461,369.21	0.4751%	0.4087%		10,071,874.60	(2,389,494.61)
	1.1.3 other similar securities	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	1.1.4 bonds	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	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, 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 of which:	89.3410%	70.8399%		2,099,638,503.52	81.3500%	69.9736%		1,724,587,334.78	(375,051,168.74)
	- shares not admitted at trading	89.3410%	70.8399%		2,099,638,503.52	81.3500%	69.9736%		1,724,587,334.78	(375,051,168.74)
	- 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%		-	-

	Item	31 December 2023				30 September 2024				Differences RON
		% of the net asset	% of the total asset	Currency	Total RON	% of the net asset	% of the total asset	Currency	Total RON	
	- other financial instruments	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
4	Bank deposits, out of which:	8.1427%	6.4568%		191,368,977.81	13.9153%	11.9692%		294,996,754.80	103,627,776.99
4.1	bank deposits made with credit institutions from Romania	8.1427%	6.4568%		191,368,977.81	13.9153%	11.9692%		294,996,754.80	103,627,776.99
	- in RON	8.1427%	6.4568%		191,368,977.81	13.9153%	11.9692%		294,996,754.80	103,627,776.99
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 within a trading place 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 an exchange 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:	23.2383%	18.4258%		546,127,016.32	15.1385%	13.0213%		320,926,160.36	(225,200,855.96)
	- in RON	23.2380%	18.4256%		546,122,004.92	15.1131%	12.9995%		320,388,902.61	(225,733,102.31)
	- in EUR	0.0001%	0.0000%	EUR 252.30	1,255.09	0.0003%	0.0003%	EUR 1,255.28	6,245.77	4,990.68
	- in GBP	0.0001%	0.0001%	GBP 314.73	1,801.04	0.0003%	0.0002%	GBP 895.57	5,334.28	3,533.24
	- in USD	0.0001%	0.0001%	USD 434.91	1,955.27	0.0248%	0.0213%	USD 118,260.04	525,677.70	523,722.43
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%		-	0.0000%	0.0000%		-	-
	-treasury bills with original maturities of less than 1 year	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
8	Participation titles of F.I.A./O.P.C.V.M.	0.0000%	0.0000%		-				-	-
9	Dividends or other receivable rights	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	- in RON	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	- in EUR	0.0000%	0.0000%	EUR -	-	0.0000%	0.0000%	EUR -	-	-
	- in USD	0.0000%	0.0000%	USD -	-	0.0000%	0.0000%	USD -	-	-
10	Other assets out of which:	0.0620%	0.0489%		1,457,676.83	0.0397%	0.0346%		848,090.50	(609,586.33)
	- guarantee deposited to the broker for the buyback tender offer	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	- receivables related to the cash contributions to the share capital increases performed by portfolio companies	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	- 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	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	- other receivables	0.0620%	0.0489%		1,457,676.83	0.0397%	0.0346%		848,090.50	(609,586.33)
	- in RON	0.0620%	0.0489%		1,457,676.83	0.0397%	0.0346%		848,090.50	(609,586.33)
	- in EUR	0.0000%	0.0000%	EUR -	-	0.0000%	0.0000%	EUR -	-	-
	- in USD	0.0000%	0.0000%	USD -	-	0.0000%	0.0000%	USD -	-	-
	- prepaid expenses	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-

	Item	31 December 2023				30 September 2024				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	26.1172%	20.7086%		613,786,861.26	16.2578%	13.9843%		344,659,326.66	(269,127,534.60)
1	Liabilities in relation with the payments of fees due to the A.F.I.A.	0.9144%	0.7251%		21,490,311.32	0.3748%	0.3224%		7,944,847.13	(13,545,464.19)
	- in RON	0.0082%	0.0065%		193,027.50	0.0000%	0.0000%		-	(193,027.50)
	- in EUR	0.9062%	0.7185%	EUR	4,281,205.29	0.3748%	0.3224%	EUR	1,596,761.62	(13,352,436.69)
2	Liabilities related to the fees payable to the depositary bank	0.0003%	0.0002%		6,004.77	0.0004%	0.0003%		7,553.72	1,548.95
3	Liabilities related to the fees payable to intermediaries	0.0008%	0.0006%		17,668.29	0.0221%	0.0190%		468,936.06	451,267.77
	- in RON	0.0008%	0.0006%		17,668.29	0.0221%	0.0190%		468,936.06	451,267.77
	- in EUR	0.0000%	0.0000%	EUR	-	0.0000%	0.0000%	EUR	-	-
	- in USD	0.0000%	0.0000%	USD	-	0.0000%	0.0000%	USD	-	-
	- in GBP	0.0000%	0.0000%	GBP	-	0.0000%	0.0000%	GBP	-	-
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	0.0080%	0.0063%		188,013.73	0.0085%	0.0073%		179,139.65	(8,874.08)
8	Audit fees	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
9	Other Liabilities, out of which:	25.1937%	19.9764%		592,084,863.15	15.8520%	13.6353%		336,058,850.10	(256,026,013.05)
	- short term credit facility	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	- liabilities to the Fund's shareholders related to the dividend distribution	23.2522%	18.4370%		546,457,941.28	15.1301%	13.0143%		320,752,114.14	(225,705,827.14)
	- liabilities related to the return of capital	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	- 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	0.0014%	0.0011%		31,751.00	0.0014%	0.0012%		29,097.00	(2,654.00)
	- VAT payable to State Budget	0.0002%	0.0001%		4,036.71	0.0002%	0.0002%		3,773.62	(263.09)
	- tax on dividends payable to State Budget	1.8786%	1.4896%		44,149,354.00	0.0572%	0.0492%		1,212,619.00	(42,936,735.00)
	- other liabilities out of which:	0.0613%	0.0486%		1,441,780.16	0.6631%	0.5704%		14,061,246.34	12,619,466.18
	- in RON	0.0612%	0.0485%		1,437,303.02	0.6400%	0.5506%		13,571,820.34	12,134,517.32
	- in EUR	0.0002%	0.0002%	EUR	900.00	0.0197%	0.0170%	EUR	84,000.00	417,950.40
	- in USD	0.0000%	0.0000%	USD	-	0.0000%	0.0000%	USD	-	-
	- in GBP	0.0000%	0.0000%	GBP	-	0.0034%	0.0029%	GBP	12,000.00	71,475.60
10	Payables related to buybacks under settlement	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
11	Other liabilities	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
III	Net Asset Value (I - II)	99.9999%	79.2914%		2,350,138,487.51	100.0000%	86.0157%		2,119,961,026.66	(230,177,460.85)

Unitary Net Asset Value

Item	30 September 2024	30 September 2023	Differences
Net Asset Value	2,119,961,026.66	3,372,785,127.11	(1,252,824,100.45)
Number of outstanding shares, out of which:			
Individuals	3,201,123,151	5,243,849,514	(2,042,726,363)
Companies	1,785,278,271	1,601,838,144	183,440,127
Unitary net asset value	1,415,844,880	3,642,011,370	(2,226,166,490)
Number of shareholders, out of which:			
Individuals	0.6622	0.6431	0.0191
Companies	23,137	22,735	402
Individuals	22,748	22,318	430
Companies	389	417	(28)

DETAILED STATEMENT OF INVESTMENTS AS AT 30 SEPTEMBER 2024

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 SA	ALR	30-Sep-24	72,884,714	0.5	1.5100	110,055,918.14	10.21%	4.4654%	5.1914%	Closing Price
MECON SA	MECP	25-Sep-24	60,054	11.6	39.7891	2,389,494.61	12.51%	0.0970%	0.1127%	Value based on the valuation report as at 30 June 2023 (applying the asset-based approach)
IOR SA	IORB	20-Sep-24	2,622,273	0.1	0.2840	744,725.53	0.47%	0.0302%	0.0351%	Reference price (Closing Price)
Total						113,190,138.28		4.5926%	5.3392%	

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 TIMISOARA	ALCQ	10-Feb-17	89,249	2.5	112.8514	10,071,874.60	71.89%	0.4087%	0.4751%	Value based on the valuation report as at 31 October 2023 (applying the income approach using the discounted cash flow method)
ROMAERO SA	RORX	17-Jan-24	1,311,691	2.5	0.0000	0.00	18.87%	0.0000%	0.0000%	Value based on the valuation report as at 30 June 2023 (applying the income approach using the discounted cash flow method)
Total						10,071,874.60		0.4087%	0.4751%	

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

Not the case

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 within a trading place in Romania

Not the case

2. Securities admitted or traded within a trading place 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 within a trading place in other EU member state

Not the case

2.5. Amounts being settled for securities admitted to or traded within a trading place in other EU member state

Not the case

3. Securities admitted or traded on an exchange 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 an exchange in a non-member state of EU

Not the case

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

Not the case

4. Money market instruments traded or listed within a trading place 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 within a trading place 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 an exchange 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

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

8.1 Other securities

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	88.553	2,050,798.93	20.00%	0.0832%	0.0967%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2023 (applying the income approach using the discounted cash flow method)
Aeroportul International Timisoara - Traian Vuia SA	32,016	10	187.4062	5,999,996.90	20.00%	0.2434%	0.2830%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2023 (applying the income approach using the discounted cash flow method)
CN Administratia Canalelor Navigabile SA	203,160	10	76.6062	15,563,315.59	20.00%	0.6315%	0.7341%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2023 (applying the market comparison technique using comparable trading multiples for EBITDA)
CN Administratia Porturilor Dunarii Fluviale SA	27,554	10	111.2944	3,066,605.90	20.00%	0.1244%	0.1447%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2023 (applying the market comparison technique using comparable trading multiples for EBITDA)
CN Administratia Porturilor Dunarii Maritime SA	21,237	10	149.3166	3,171,036.63	20.00%	0.1287%	0.1496%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2023 (applying the market comparison technique using comparable trading multiples for EBITDA)
CN Administratia Porturilor Maritime SA	6,466,226	10	54.0346	349,399,935.42	19.99%	14.1766%	16.4814%	Unlisted companies, in function	Value based on the valuation report as at 31 May 2024 (applying the income approach using the discounted cash flow method)

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 a net asset	Company status	Valuation method
CN Aeroporturi Bucuresti SA	2,875,443	10	321.5156	924,499,781.41	20.00%	37.5108%	43.6093%	Unlisted companies, in function	Value based on the valuation report as at 31 May 2024 (applying the income approach using the discounted cash flow method)
Complexul Energetic Oltenia SA	5,314,279	10	10.0794	53,564,743.75	11.81%	2.1733%	2.5267%	Unlisted companies, in function	Value based on the valuation report as at 31 May 2024 (applying the income approach using the discounted cash flow method)
Gerovital Cosmetics SA	1,350,988	0	0	0.00	9.76%	0.0000%	0.0000%	Bankruptcy	Priced at zero
Plafar SA	132,784	10	14.9709	1,987,895.99	48.99%	0.0807%	0.0938%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2023 (applying the income approach using the discounted cash flow method)
Posta Romana SA	14,871,947	1	1.1699	17,398,690.80	6.48%	0.7059%	0.8207%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2023 (applying the market comparison technique using comparable trading multiples for price/Earnings)
ROMPLUMB SA	1,595,520	3	0	0.00	33.26%	0.0000%	0.0000%	Bankruptcy	Priced at zero
Salubriserv SA	43,263	3	0	0.00	17.48%	0.0000%	0.0000%	Bankruptcy	Priced at zero
Simtex SA	132,859	3	0	0.00	30.00%	0.0000%	0.0000%	Bankruptcy	Priced at zero
Societatea Electrocentrale Craiova SA	513,754	10	0	0.00	21.55%	0.0000%	0.0000%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2023 (applying the market comparison technique using comparable trading multiples for EV/Revenue)
Societatea Nationala a Sarii SA	2,011,456	10	158.7407	319,299,933.46	48.99%	12.9553%	15.0616%	Unlisted companies, in function	Value based on the valuation report as at 31 May 2024 (applying the income approach using the discounted cash flow method)
World Trade Center Bucuresti SA	198,860	79	0	0.00	19.90%	0.0000%	0.0000%	Insolvency	Priced at zero
Zirom SA	6,000,000	10	4.7641	28,584,600.00	100.00%	1.1598%	1.3484%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2023 (applying the income approach using the discounted cash flow method)
Total				1,724,587,334.78		69.9736%	81.3500%		

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*	321,201,158.36	13.0325%	15.1513%
BRD Groupe Societe Generale - amounts under settlement**	(858,138.90)	(0.0348%)	(0.0405%)
Banca Comerciala Romana	39,953.77	0.0016%	0.0019%
CITI Bank	1,254.84	0.0001%	0.0001%
ING BANK	1,215.61	0.0000%	0.0001%
Raiffeisen Bank	1,905.76	0.0001%	0.0001%
Unicredit Tiriac Bank	1,137.01	0.0000%	0.0001%
Petty cash	416.16	0.0000%	0.0000%
Total	320,388,902.61	12.9995%	15.1131%

*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.

**The amount under settlement according with the bank statement as at 30 September 2024

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	1255.28	4.9756	6,245.77	0.0003%	0.0003%
BRD Groupe Societe Generale	GBP	895.57	5.9563	5,334.28	0.0002%	0.0003%
BRD Groupe Societe Generale	USD	118,260.04	4.4451	525,677.70	0.0213%	0.0248%
Total				537,257.75	0.0218%	0.0254%

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
Banca Comerciala Romana	30-Sep-24	01-Oct-24	71,100,000.00	9,578.75	9,578.75	71,109,578.75	2.8852%	3.3543%	Bank deposit value cumulated with the daily related interest for the period from starting date
CITI Bank	30-Sep-24	01-Oct-24	71,100,000.00	9,480.00	9,480.00	71,109,480.00	2.8852%	3.3543%	
BRD Groupe Societe Generale	30-Sep-24	01-Oct-24	10,557,495.54	1,240.51	1,240.51	10,558,736.05	0.4284%	0.4981%	
BRD Groupe Societe Generale	30-Sep-24	02-Oct-24	71,100,000.00	9,480.00	9,480.00	71,109,480.00	2.8852%	3.3543%	
BRD Groupe Societe Generale	30-Sep-24	01-Oct-24	71,100,000.00	9,480.00	9,480.00	71,109,480.00	2.8852%	3.3543%	
Total			294,957,495.54		39,259.26	294,996,754.80	11.9692%	13.9153%	

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. 35 paragraph (1) letter g) of Law 243/2019

Treasury bills

Not the case

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

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

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)s

Not the case

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

Item	31 December 2022	31 December 2023	30 September 2024
Net Asset	14,569,538,084.65	2,350,138,487.51	2,119,961,026.66
NAV/share	2.5701	0.6608	0.6622

Leverage of Fondul Proprietatea

Method type	Leverage level	Exposure amount
a) Gross method	87.19%	1,848,386,605.41
b) Commitment method	100.00%	2,119,961,026.66

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

Johan Meyer
Permanent representative

BRD Groupe Societe Generale

Victor Strambei
Manager Depositary Department