



Fondul Proprietatea – Q3 2023 Results Conference Call

15 November 2023



Fund Information

Key Facts

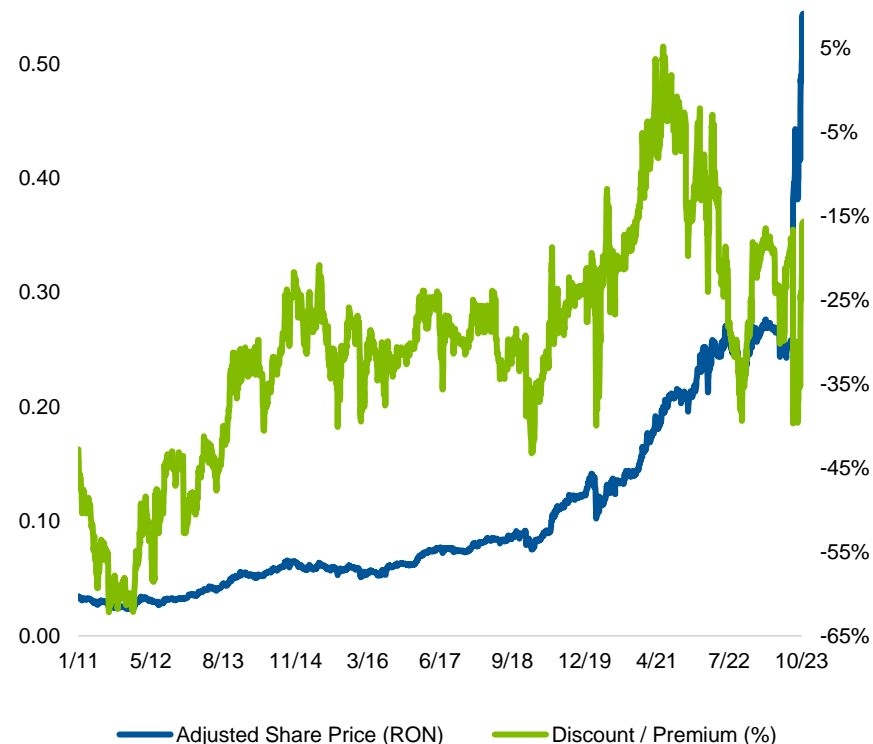


Fund Details

31 October 2023 NAV	RON	USD
Total NAV	3.38 bn	0.72 bn
NAV / Share	0.6457	0.1386
Key trading figures as at 14 November 2023		
Price / Share	0.5420	0.1168
Price / GDR	25.98	5.60
Market Capitalization ¹	2.83 bn	0.61 bn
Discount / Share	(15.93)%	
Discount / GDR	(18.78)%	



Adjusted Share Price (RON) vs. Discount/Premium (%)



Source: FP October 2023 Factsheet, BVB and Bloomberg, NBR for the RON/USD FX rate, Fund Manager calculations.

Note 1: The discount/premium is calculated based on the latest published NAV available for the day of the calculation, according to the IPS.

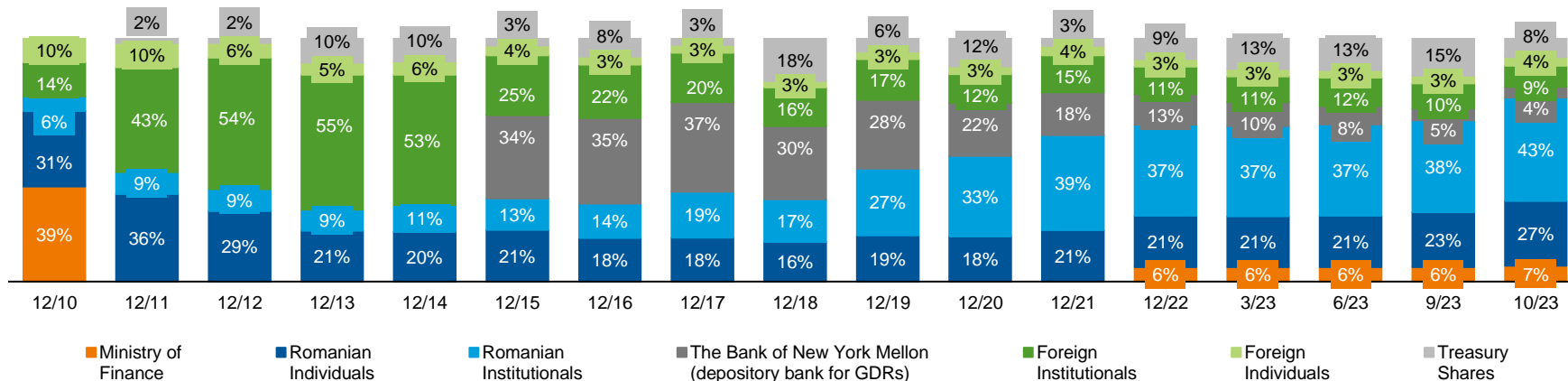
Note 2: The USD values are calculated based on the NBR FX as at the day of the calculation.

1. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs repurchased as at 31 October 2023.

Shareholder structure



Evolution (% Held)¹



Largest Shareholders²

NN Private Pension Funds	11.24%
Ministry of Finance	5.97%
Metropolitan Life Pension and Insurance Funds	5.13%
Allianz-Tiriac Private Pension Funds	5.05%
Silver Point Capital Funds	4.89%

Total Number of Shareholders³ 22,602

All treasury shares repurchased by the Fund are being cancelled on a regular basis.

1. Note: Based on the paid share capital starting December 2011. Source: FP shareholder structure reports.

2. Based on the total voting rights as declared by shareholders through the ownership disclosures submitted on: 10 May 2023 by Metropolitan Life Pension and Insurance Funds, 5 April 2023 by Silver Point Capital Funds, 11 April 2022 by NN Private Pension Funds, 1 April 2022 by Ministry of Finance, and 1 July 2019 by Allianz-Tiriac Private Pension Funds.

3. Source: FP shareholder structure report as at 31 October 2023.

NAV, Share price and GDR Performance



Cumulative Performance¹

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	9M 2023	YTD ²	Since Performance Inception ²
NAV (RON)	(0.5)%	8.9%	13.3%	1.4%	(0.6)%	7.3%	13.1%	19.9%	31.2%	2.2%	47.8%	19.1%	(5.0)%	(4.6)%	305.8%
Share Price (RON)	(30.3)%	38.3%	61.3%	14.5%	(4.1)%	4.9%	21.5%	9.9%	49.1%	37.8%	48.5%	12.2%	16.5%	35.9%	920.7%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.2%	35.9%	(1.9)%	41.4%	48.5%	42.0%	3.9%	2.7%	23.0%	315.3%



Average Discount to NAV

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD ³	Current ³
Share Price	(55.7)%	(50.1)%	(40.7)%	(30.9)%	(29.1)%	(32.1)%	(28.1)%	(29.5)%	(29.4)%	(21.1)%	(5.7)%	(21.6)%	(23.2)%	(15.9)%
GDR	N/A	N/A	N/A	N/A	(29.6)%	(30.0)%	(27.0)%	(29.8)%	(30.7)%	(21.7)%	(7.6)%	(22.4)%	(23.6)%	(18.8)%

Source: BVB, Bloomberg, FP Factsheets.

Note: The discount/premium is calculated based on the latest published NAV available for the day of the calculation; between 7 September 2023 (ex-date for 29 September 2023 dividend distribution) and 14 September 2023, the values are calculated based on the 31 August 2023 NAV in order to correlate the Price and NAV adjustment with the dividend distribution.

The Performance Inception date for the NAV is 31 December 2010, for the Share Price is 25 January 2011, and for the GDRs is 29 April 2015.

1. Dividend adjusted.

2. As at 31 October 2023.

3. As at 14 November 2023.

Attribution to NAV Performance for Q3 2023



Top Performers



Bottom Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance	Change in NAV per share (RON)	% Change in share price / NAV per share
IOR SA	Listed	0.0%	0.00%	0.0001	205.3%
CN Administratia Porturilor Dunarii Fluviale SA	Unlisted	0.1%	0.00%	0.0000	0.0%
Romaero SA	Listed	0.8%	(0.03)%	(0.0007)	(12.6)%
Alro SA	Listed	3.4%	(0.04)%	(0.0011)	(4.9)%
TOTAL NAV PER SHARE CHANGE				(1.7672)	(73.32)%

Note: The amounts are adjusted with the dividends declared by the companies, according with FP accounting policy.

1. 30 September 2023 NAV report.

Attribution to NAV Performance for 9M 2023



Top Performers



Bottom Performers

Company	Status	Weight in total NAV ¹	Change in NAV performance	Change in NAV per share (RON)	% Change in share price / NAV per share
CN Aeroporturi Bucuresti SA	Unlisted	24.6%	1.01%	0.0259	16.1%
Societatea Nationala a Sarii SA	Unlisted	8.8%	0.55%	0.0140	8.6%
Engie Romania SA	Unlisted	14.5%	0.34%	0.0087	11.3%
E-Distributie Muntenia SA	Unlisted	6.6%	0.27%	0.0070	21.5%
CN Administratia Porturilor Maritime SA	Unlisted	9.3%	0.25%	0.0063	10.7%
Alro SA	Listed	3.4%	(0.01)%	(0.0002)	(1.0)%
Romaero SA	Listed	0.8%	(0.10)%	(0.0026)	(35.0)%
Hidroelectrica SA	Unlisted	0.0%	(6.93)%	(0.1781)	sold
TOTAL NAV PER SHARE CHANGE				(1.9270)	(74.98)%

Note: The amounts are adjusted with the dividends declared by the companies, according with FP accounting policy.

1. 30 September 2023 NAV report.



Portfolio

FONDUL
PROPRIETATEA

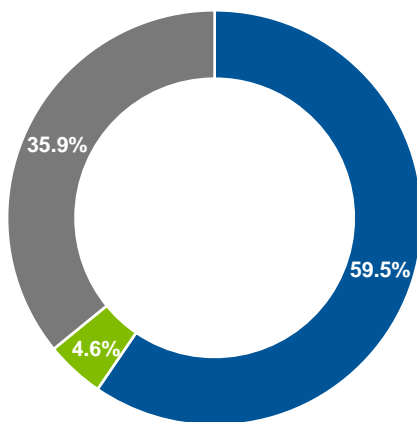


Portfolio Structure



Listed vs Unlisted

(% of NAV as at 31 October 2023)¹

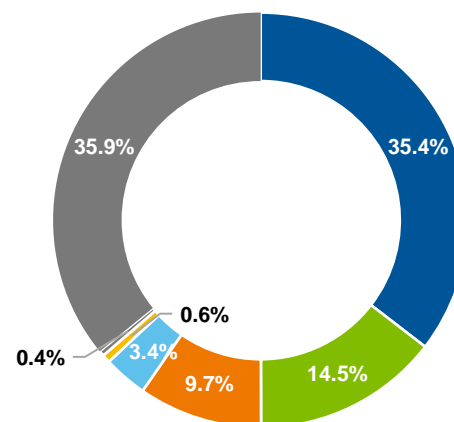


■ Unlisted ■ Listed ■ Net Cash & receivables



By Sector

(% of NAV as at 31 October 2023)¹



■ Infrastructure ■ Aluminium
 ■ Power & Gas Utilities: Transport, Distribution & Supply ■ Postal Services
 ■ Heavy Industry ■ Others
 ■ Net Cash & Receivables

- As at 31 October 2023, the portfolio included stakes in 25 companies (5 listed and 20 unlisted).
- The net cash and receivables as at 31 October 2023 was USD 259.9 million².

1. Source: FP October 2023 Factsheet.

2. Source: 31 October 2023 NAV report, based on the NBR RON/USD FX rate as at 31 October 2023.

Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% FP Stake ¹	NAV as at 31 October 2023 (USD mn)	% in NAV as at 31 October 2023
Bucharest Airports	Unlisted	Romanian State	20.0%	177.8	24.5%
Engie Romania	Unlisted	Engie	12.0%	105.2	14.5%
Constanta Port	Unlisted	Romanian State	20.0%	67.2	9.3%
Salrom	Unlisted	Romanian State	49.0%	63.8	8.8%
Alro SA	Listed	Vimetco PLC	10.2%	24.9	3.4%
Top Portfolio Holdings				438.9	60.6%
Net Cash and Receivables				259.9	35.9%
Total NAV				724.5	
NAV Per Share (USD)				0.1386	

Source: FP October 2023 Factsheet.

Note: Values in USD calculated using the NBR RON/USD FX rate as at 31 October 2023.

1. Based on the FP 30 September 2023 Detailed Statement of Investments.

Hidroelectrica IPO – a milestone transaction in Europe

Transaction Details

Name of Company:	Hidroelectrica S.A.
Country:	Romania
Sector:	Utilities - Renewables
Offering type:	IPO
Existing shareholders pre transaction:	<ul style="list-style-type: none"> ■ Fondul Proprietatea ("Fondul"): 19.94 % ■ Romanian State: 80.06%
Selling Shareholder:	Fondul Proprietatea
Offering structure:	<ul style="list-style-type: none"> ■ Retail offering in Romania ■ Offering to institutional investors according to Reg S in Europe and to Rule 144A in the USA
Offered shares:	Up to 89.7m existing shares, 19.94% of share capital
Greenshoe:	15% of the total offering
Free float:	19.94% post transaction
Indicative price range:	RON 94 to 112
Revised price range:	RON 103 to 104
Offer price:	RON 104
Transaction size:	EUR 1.9bn (RON 9.4bn)
Lock-up:	<ul style="list-style-type: none"> ■ Fondul: 180 days ■ Company: 180 days ■ Ministry of Energy: 365 days
Cornerstones:	3 Romanian institutional investors committed to purchase in aggregate RON 2.24bn (c. EUR 450m) at the final offer price
Listing shares:	Bucharest Stock Exchange

Key highlights

- Backed by strong local and international long-only demand from 167 investors, order book was multiple times oversubscribed throughout the price range, allowing to price the deal at the **upper half** of the range
- The deal represents the largest IPO in Europe in 2023, the largest IPO in Romania as well as the third largest IPO in CEE to date
- Strong demand from retail investors of EUR 1.17bn, resulted in allocation of 20% of the overall transaction

Timeline

6 June	Intention to Float (ITF)
6 June – 22 June	Pre Deal Investor Education (PDIE)
22 June	Price range announcement / Prospectus publishing
23 June – 3 July	Management roadshow (institutional clients)
23 June – 4 July noon	Institutional and Retail Bookbuilding
10 July	Settlement
12 July	Start of trading

Source: Erste group – Equity Capital markets.

Hidroelectrica IPO – a milestone transaction in Europe

Largest IPO in Romanian history				Third largest IPO in history on a CEE Exchange					Largest IPO in Europe for 2023YTD				
Company	Industry	Pricing Date	Deal Size (EURmn)	Company	Industry	Pricing Date	Country	Deal Size (EURmn)	Company	Industry	Pricing Date	Country	Deal Size (EURmn)
 HIDROELECTRICA	Utility & Energy	5 July 2023	1,885	 allegro	E-commerce	29 Sept 2020	Poland	2,318	 HIDROELECTRICA	Utility & Energy	5 July	Romania	1,885
 ELECTRICA S.A.	Electricity Distribution	27 June 2014	444	 pZU	Banking	29 April 2010	Poland	2,053	 LOTROMATICA	Gaming	28 April	Italy	600
 ROMGAZ	Gas E&P	1 November 2013	391	 HIDROELECTRICA	Utility & Energy	5 July 2023	Romania	1,885	 thyssenkrupp TUCCEFB	Utility & Energy	5 July	Germany	526
 DIGI	Telecommun.	11 May 2017	191	 IRU	Banking	04 Nov 2004	Poland	1,776	 EUROGROUP LAMINATIONS	Computers & Electronics	8 February	Italy	409
 Dr.Max România A&D Pharma Holdings	Pharma	19 October 2006	136	 New World RESOURCES	Mining	06 May 2008	Czechia	1,608	 IONOS	Computers & Electronics	7 February	Germany	389
 AQUILA SAVIA HOLDINGS	Transportation	16 November 2021	74	 PGE	Electricity generation and transm.	27 Oct 2009	Poland	1,427	 CAB PAYMENTS	Financial Services	6 July	UK	341

Source: Dealogic.

Bucharest Airports – Update

Financial performance	2016	2017	2018	2019	2020	2021	2022	H1 2022	H1 2023	% y.o.y.
Operating revenues (RON mn)	754.7	890.9	992.6	1,066.6	405.6	578.0	999.6	425.2	519.5	22.2%
Operating result (RON mn)	263.6	337.6	445.9	399.0	(175.3)	40.8	344.7	160.0	247.9	54.9%
Net Income / Loss (RON mn)	224.7	290.7	371.8	359.6	(146.4)	34.0	304.0	137.6	209.4	52.2%
Number of passengers (mn)	10.99	12.84	13.84	14.73	4.47	6.92	12.61	-	-	-

- Traffic has recovered to pre-Covid levels in **9M 2023** and **surged by 18% year-over-year**, reaching **11.1 million** passengers. This was the main positive driver for the improved operating profitability, which was **up by 32% year-over-year** to **RON 420 million**.
- **Corporate Governance:** All Board members have interim mandates. The selection process has started, and it is expected to be finalised in the coming months.

Source: Individual IFRS financial statements.

Constanta Ports – Update

Financial performance	2016	2017	2018	2019	2020	2021	2022	H1 2022	H1 2023	% y.o.y.
Operating revenues (RON mn)	314.0	330.5	345.2	369.0	398.8	418.9	479.5	260.3	294.4	13.1%
Operating profit (RON mn)	54.8	93.8	95.8	117.0	145.9	140.6	131.5	106.8	117.7	10.2%
Net Income (RON mn)	36.8	79.7	75.7	108.2	130.3	130.5	114.5	97.8	109.2	11.7%
Total traffic (thousands tons)	59.4	58.4	61.3	66.6	60.4	67.5	75.6	-	-	-

- Traffic reached **65.9 million tons** in **9M 2023**, **up by 15.5% year-over-year**, on the back of cereals and oily seeds linked to Ukraine. Overall, traffic of merchandise in relation with Ukraine **increased 2.6 times year-over-year**, to **17.4 million tons**. Higher traffic drove a **9% year-over-year improvement** in operating profitability, to **RON 180 million**.
- **Corporate Governance:** All Board members have interim mandates. The selection process for full mandates has not yet started.

Source: Financial statements in accordance with applicable Romanian accounting regulations.

Salrom – Update

Financial performance	2016	2017	2018	2019	2020	2021	2022	H1 2022	H1 2023	% y.o.y.
Operating revenues (RON mn)	312.4	394.1	436.9	469.2	300.2	374.5	495.3	195.4	237.0	21.3%
Operating profit (RON mn)	36.3	107.3	93.5	84.6	15.8	70.1	134.4	41.7	57.5	37.9%
Net Income (RON mn)	27.4	81.1	76.4	77.0	11.5	60.2	120.7	35.9	56.5	57.5%

- **Corporate Governance:** In January 2023, shareholders approved the re-launch of the selection process for Board Members based on GEO no. 109/2011, with the selection procedure being conducted at the level of the Ministry of Economy. Currently all Board members have interim mandates.
- **IPO:** The Fund continues to engage with the majority shareholder and the company in relation to preparations for a potential IPO in the context of the protracted process for the appointment of the company's directors under the corporate governance rules applicable to state owned entities.

Source: IFRS financial statements.

ENEL companies – Completion of the sale process

Enel Group	Sector	Fondul Proprietatea's Holding ¹
E-Distributie Muntenia SA	Power & Gas Utilities: distribution	12.0%
E-Distributie Dobrogea SA	Power & Gas Utilities: distribution	24.1%
E-Distributie Banat SA	Power & Gas Utilities: distribution	24.1%
Enel Energie Muntenia SA	Power & Gas Utilities: supply	12.0%
Enel Energie SA	Power & Gas Utilities: supply	12.0%

- On 26 October 2023, the sale of the Fund's entire holding in Enel Group was finalised.
- The transaction was concluded following the closing of an agreement between Enel S.p.A. and the Greek company Public Power Corporation SA for the sale of all the equity stakes held by the Enel Group in Romania. Following the Transaction, the Fund no longer holds any shares in the Enel Group in Romania.
- The Fund received gross proceeds of RON 650,000,000 following the completion of the transaction, that will be used in accordance with the DCM techniques set out in the IPS.

Source: Fund Manager current reports.
1. 30 September 2023 Detailed Statement of Investments.

Largest Holdings by NAV – Key financials

Top Holdings ¹	EBITDA (RON mn)					Net Profit (RON mn)				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Bucharest Airports	539.2	584.6	(25.6)	160.9	477.3	371.8	359.6	(146.4)	34.0	304.0
Engie Romania	676.7	623.7	768.1	668.7	818.9	428.7	385.2	492.8	69.9	851.9
Constanta Port	158.2	147.1	163.0	183.1	182.4	75.7	108.2	130.3	130.5	114.5
Salrom	119.7	101.5	41.7	87.1	154.7	76.4	77.0	11.5	60.2	120.7
Alro SA	485.7	247.2	566.5	386.2	863.8	235.3	(67.2)	334.8	26.3	409.5
Total	1,979.5	1,704.1	1,513.7	1,486.0	2,497.1	1,187.9	862.8	823.0	320.9	1,800.6
Weighted Total²	328.9	296.1	197.9	231.1	394.1	202.4	170.7	95.7	73.5	286.8

Note: EBITDA = Operational result adjusted for Depreciation and Amortization revenues/expenses from revaluation of tangible assets, provisions, impairment of tangible assets, and subsidies. For Salrom EBITDA for FY 2020 was adjusted with the Revaluation of assets.

Source: Companies' annual consolidated financial statements and other company reporting.

1. As at 31 October 2023. Source: FP October 2023 Factsheet.

2. Weighted for the Fund's stake in the companies.



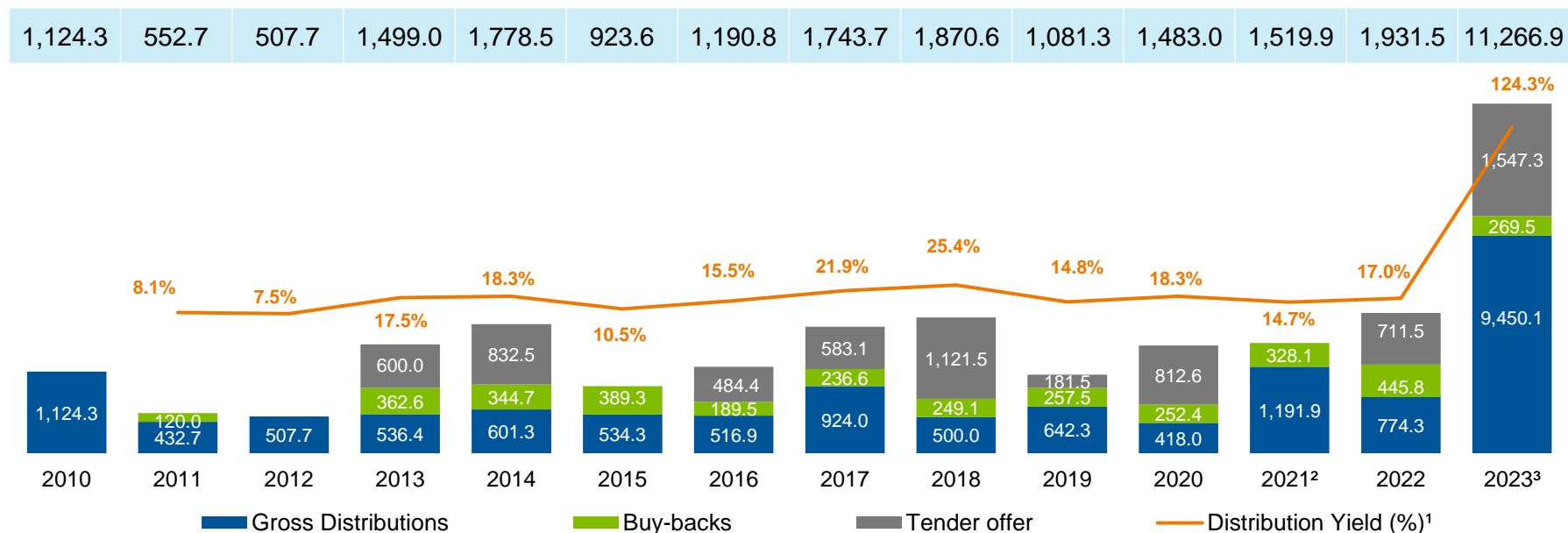
Corporate Actions



Distributions to Shareholders



Annual Distributions to Shareholders (RON mn)



The total distributions through buy-backs and cash would amount to RON 28.5 bn / USD 6.9 bn⁴

Source: Fund Manager calculations, Fund Manager annual results reports, Fund Manager current reports.

Note: Values exclude related acquisition fees. USD values based on the NBR average USD/RON FX for each year. For 2023, average RON / USD FX as at 14 November.

1. Based on the total annual distributions through buy-backs and cash, the average closing share price on BVB for the respective year, and the average number of paid shares excluding Treasury shares at year-end. For 2023: average closing share price as at 14 November and average number of paid shares excluding Treasury shares as at 31 October.
2. 2021 Gross distributions figure refers to the 3 special gross distributions approved during the year.
3. Fund Manager estimations based on buy-backs as at 31 October, RON 0.05 per share and RON 1.7225 per share gross dividends, the finalized 11th Tender offer, the ongoing 12th Tender offer for 1.67 bn shares and number of paid shares excluding Treasury shares as at 31 October.
4. As at 31 October 2023, average NBR RON/USD FX as at 14 November 2023.

Buy – back programs

Program	Period	Status	No. of shares (to be) repurchased / % of the Fund's issued share capital	Average share price (RON / share)	Broker	Cancellation of shares ¹
13 th	Jan – Dec 2022	Finalized	549.02 mn / 8.83%	2.1078 ²	Auerbach Grayson, Swiss Capital	Finalized
14 th	Jan – Dec 2023	Ongoing	3.50 bn / 61.74%	1.7215 ³	Auerbach Grayson, Swiss Capital	The cancellation of shares will be subject to shareholders' approval in 2024

Source: Fund Manager current reports, Fund Manager calculations.

1. To be effective, the FSA endorsement is legally required, and the shareholders' resolution for the share capital decrease needs to be registered with the Trade Register.
2. As at 31 December 2022. Based on the 549,019,085 shares repurchased (460,629,885 ordinary shares and 88,389,200 equivalent shares of the GDRs repurchased). The cancellation of shares was approved during the 21 April 2023 Annual GSM. On 12 October 2023, the Trade Registry registered the decrease of the subscribed and paid-up share capital pursuant to the cancellation of the shares acquired through the 13th BB.
3. As at 31 October 2023. Based on the 442,378,889 shares repurchased (332,323,039 ordinary shares and 110,055,850 equivalent shares of the GDRs repurchased).

Twelfth Tender Offer



Size of the Offer

- 1,670,000,000 shares in the form of shares and / or GDRs



Purchase price

- RON 0.6319 per share and the USD equivalent of RON 31.5950 per GDR



Subscription period

- 31 October – 5 December 2023



Allocation method and ratio

- Pro-rata



Intermediary

- Swiss Capital S.A.



Dealer managers

- Swiss Capital S.A. and Auerbach Grayson



GDR Tender Agent

- The Bank of New York Mellon

Source: Fund Manager current reports and Tender Offer documentation.

Annual dividend income – Largest Holdings by NAV

Top Holdings ¹	Dividend Payout (%)					FP Net Dividend (RON mn)				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Bucharest Airports	90	90	- ²	0	50	68.0	36.7	- ²	0.0	31.5
Engie Romania	30	30	30	0	0	16.4	12.1	17.9	0.0	0.0
Constanta Port	25	25	25	25	25	3.7	5.5	6.7	6.7	5.7
Salrom	90	50	90	90	90	37.4	19.8	5.6	29.3	56.0
Alro SA	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Total Top Holdings (RON mn)						125.5	74.1	30.2	36.0	93.2

Source: Companies' GSM decisions for approving the annual dividend payments.

Note: Annual regular dividends, i.e., excluding special dividends, distributed out of the operating profit recorded during the mentioned financial year. The annual regular dividends are distributed based on the individual financial statements.

1. Source: FP October 2023 Factsheet.

2. The company registered losses.

25 September 2023 GSM Resolutions



Only the persons registered as shareholders of Fondul Proprietatea on **11 September 2023** (the **Reference Date**) in the register of shareholders kept by Depozitarul Central S.A. had the right to participate and vote at the GSM



OGM

- The appointment **for a period of three (3) years** of two members in the Board of Nominees of Fondul Proprietatea following the expiration of two mandates.

For the seat resulted from the expiry of Mrs. Ilinca von Derenthal's mandate on 25 November 2023:

- **Mrs. Ilinca von Derenthal** – proposed by FDI BT Maxim (BT Asset Management SAI SA)

For the seat resulted from the expiry of Mr. Ciprian Laduncă's mandate on 15 November 2023:

- **Mr. Ciprian Laduncă** – proposed by Swiss Capital S.A..

Source: 25 September 2023 GSM Resolutions.

25 September 2023 GSM Resolutions



The approval of:

12 October 2023 as Ex-Date;
13 October 2023 as Registration Date



OGM

- Approval of the renewal of the mandate of Franklin Templeton as sole director of Fondul Proprietatea that acts also as the alternative investment fund manager of Fondul Proprietatea, **for a period of 1 (one) year**, starting on 1 April 2024 and ending on 31 March 2025.
(Item added on the agenda at the request of the shareholder Ministry of Finance)
- Approval to launch a transparent and competitive selection procedure for the appointment of a new sole director based on investment expertise and experience for a mandate not exceeding four (4) years from 1 April 2024. The Board of Nominees is empowered to initiate, organize the transparent selection procedure for a new Fund Manager and to establish new objectives, performance criteria and remuneration conditions realigned with these objectives and present them for approval by the GSM.
(Item added on the agenda at the request of the shareholder Ministry of Finance)
- The amendment of the conditions of evaluation and remuneration of the Fund Manager in line with the new objectives and in accordance with international best practices. 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.
(Item added on the agenda at the request of the shareholder Ministry of Finance)

Source: 25 September 2023 GSM Resolutions.

25 September 2023 GSM Resolutions



The approval of:

12 October 2023 as Ex-Date;
13 October 2023 as Registration Date



EGM

- Approval of the amendment of Article 19 paragraph (3) of the Constitutive Act of Fondul Proprietatea, which shall be read as follows:

“(3) The mandate of the AIFM shall not exceed 2 years, with the possibility of re-election. The AIFM will call an Ordinary General Meeting of Shareholders to be held at least 6 months before the expiry of the mandate of AIFM and will ensure that the agenda of the ordinary general shareholders meeting will include points granting the options to (i) approve the renewal of the AIFM’s mandate, (ii) appoint a new AIFM in accordance with the legal provisions in force, with the shareholders being granted the opportunity to propose candidates for such position; the agenda will also include provisions for the authorization of the negotiation and execution of the relevant investment management agreement and fulfilment of all relevant formalities for the authorization and legal completion of such appointment.”

(Item added on the agenda at the request of the shareholder Ministry of Finance)

Source: 25 September 2023 GSM Resolutions.

Financial calendar

- **London Roadshow**

15 November 2023

27 – 28 November 2023

6 - 8 December 2023

8 – 10 April 2024

- Publication of the **Q3 2023 Results**
- Results **Conference Call**

- **Wood Conference in Prague**

- **Raiffeisen Conference in Zürs**



More information about the Investor Relations Calendar can be found on the Fund's website www.fondulproprietatea.ro



Financial results

Statement of Financial Position

RON mn	30 Sep 2023 Unaudited	30 Jun 2023 Unaudited	31 Mar 2023 Unaudited	31 Dec 2022 Audited	30 Sep 2022 Unaudited	30 Sep 2023 vs. 31 Dec 2022 (%)
Cash and current accounts	986.0	81.0	69.9	73.8	78.9	>100%
Deposits with banks	1,345.7	786.7	351.7	912.6	279.5	47.5%
Government bonds	202.0	-	-	-	-	100%
Dividend receivables	-	175.8	-	-	-	-
Equity investments	2,162.5	2,171.8	13,111.9	13,696.6	15,124.6	(84.2)%
Non-current assets held for sale	650.0	9,931.2	588.8	-	-	100%
Other assets	0.6	1.1	0.8	0.6	56.2	-
Total assets	5,346.8	13,147.6	14,123.1	14,683.6	15,539.2	(63.6)%
Payables	981.4	58.3	37.9	27.3	25.4	>100%
Other liabilities	992.6	81.3	85.6	86.8	80.4	>100%
Total liabilities	1,974.0	139.6	123.5	114.1	105.8	>100%
Total equity	3,372.8	13,008.0	13,999.6	14,569.5	15,433.3	(76.9)%
Total liabilities and equity	5,346.8	13,147.6	14,123.1	14,683.6	15,539.2	(63.6)%

Source: Condensed interim IFRS financial statements of the Fund

Statement of Comprehensive Income

RON mn	Q1 2023 Unaudited	Q2 2023 Unaudited	Q3 2023 Unaudited	9M 2023 Unaudited	9M 2022 Unaudited
Gain/ (Loss) from equity investments at fair value through profit or loss	4.1	(1,661.5)	(9.4)	(1,666.8)	2,565.8
Net gain/ (loss) from non-current assets held for sale	-	61.2	-	61.2	(157.0)
Gross dividend income	-	962.5	0.3	962.8	934.9
Net gain from other financial assets at fair value through profit or loss	-	-	0.9	0.9	244.3
Interest income	10.3	4.2	124.5	139.0	19.9
Other (expenses)/ income, net ¹	(0.8)	-	1.2	0.4	4.4
Net operating (loss)/ income	13.6	(633.6)	117.5	(502.5)	3,612.3
Administration fees recognised in profit or loss	(13.3)	(16.8)	(169.8)	(199.9)	(67.1)
Other operating expenses	(11.8)	(18.4)	(229.2)	(259.4)	(28.3)
Operating expenses	(25.1)	(35.2)	(399.0)	(459.3)	(95.4)
Finance costs	-	-	(0.1)	(0.1)	-
(Loss)/ Profit before income tax	(11.5)	(668.8)	(281.6)	(961.9)	3,516.9
Withholding tax on the dividend income	-	-	(7.0)	(7.0)	(6.7)
(Loss)/ Profit for the period	(11.5)	(668.8)	(288.6)	(968.9)	3,510.2
Other comprehensive income	-	-	-	-	-
Total comprehensive (loss)/ income for the period	(11.5)	(668.8)	(288.6)	(968.9)	3,510.2

Source: Condensed interim IFRS financial statements of the Fund

1. Other (expenses)/income, net included mainly the net foreign exchange gain/(loss) and other operating income/(expenses)

Minimum corporate tax

Minimum tax on turnover, additional turnover tax for banks and specific tax for the oil and gas sector

- Starting with the fiscal year 2024, Law no 296/ 2023 introduced a minimum tax on turnover (set at 1%) on companies whose turnover exceeds EUR 50mn in the previous year of calculation. According to the regulation, in case the regular profit tax is determined at a lower level than the minimum turnover tax, companies are required to pay profit tax at the level of the minimum turnover tax.
- Entities that exclusively carry out activities involving distribution, supply and transport of electricity and natural gas are exempt from this tax regime. At the same time, entities operating in the oil and natural gas sectors, which in the previous year registered a turnover of over EUR 50mn will pay a turnover tax in addition to the profit tax, at a rate of 0.5% of their turnover. Furthermore, credit institutions, irrespective of their turnover, will be subject to an additional tax on turnover calculated by applying a rate of 2% (in 2024 and 2025), and 1% (from 2026).
- If the turnover exceeds the EUR 50mn threshold in 2023, the Fund will be subject to the provisions of the minimum corporate tax starting 1 January 2024. In this case, if the Fund's corporate tax position, calculated based on the general rules of the Fiscal Code, will be lower than 1% of the turnover or if it will show a tax loss, the Fund will need to pay the minimum corporate tax amounting to 1% of the turnover.

Source: Law 296/ 2023.

Q&A

To ask a question:

- use the **Ask a question** box or,
- use one of the displayed phone numbers and press *, followed by no. **1** on your telephone keypad.

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November 2023

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In addition, the list of investor rights can be found in the Constitutive Act, available on the Fund's website, in the Corporate Governance section, here: <https://www.fondulproprietatea.ro/about-fund/fund-overview/corporate-governance>.

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The Fund's headquarters are located at 76 – 80 Buzesti street, 7th Floor, Bucharest, 1st District, 011017, Romania. Fund's Fiscal Identification Code is 18253260 and Trade Registry registration number is J40/21901/2005. The subscribed and paid-up share capital is RON 3,233,269,110.76.

Starting with 1 April 2016, in view of complying with the AIFMD, implemented in the Romanian legislation through Law no. 74/2015 on managers of alternative investment funds and Regulation no. 10/2015 on alternative investment fund management, Fondul Proprietatea SA, qualifying as an alternative investment fund, is managed by Franklin Templeton Investment Services S.À R.L., a société à responsabilité limitée qualifying as an alternative investment fund manager under article 5 of the Luxembourg law of 12 July 2013 on alternative investment fund managers, authorized by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8a, rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg register of commerce and companies under number B36.979, registered with the Romanian Financial Supervisory Authority under number PJM07.1AFIASMDLUX0037/10 March 2016 ("FTIS" or the "Fund Manager").

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