

# Fondul Proprietatea – H1 2020 Results Conference Call

31 August 2020



# Fund Information

Open	838.63
Low	856.45
Close	836.23
on Close (50)	845.12
on Close (100)	NA
on Close (200)	NA



# The Fund – Key Facts



## Fund Details<sup>1</sup>

	RON	USD
NAV	<b>10.11 bn</b>	<b>2.48 bn<sup>2</sup></b>
NAV/Share	<b>1.5575</b>	<b>0.3819<sup>2</sup></b>
Price/Share	<b>1.2450</b>	<b>0.3053<sup>2</sup></b>
Price/GDR	<b>60.76<sup>2</sup></b>	<b>14.90</b>
Market Capitalization as at 28 August 2020 <sup>3</sup>	<b>8.05 bn</b>	<b>1.98 bn<sup>3</sup></b>
Discount/Share as at 28 August 2020	<b>20.39%</b>	
Discount/GDR as at 28 August 2020	<b>22.70%</b>	
Number of Paid Shares less Treasury Shares <sup>4</sup>	<b>6,488,497,491</b>	

## Investment Objective

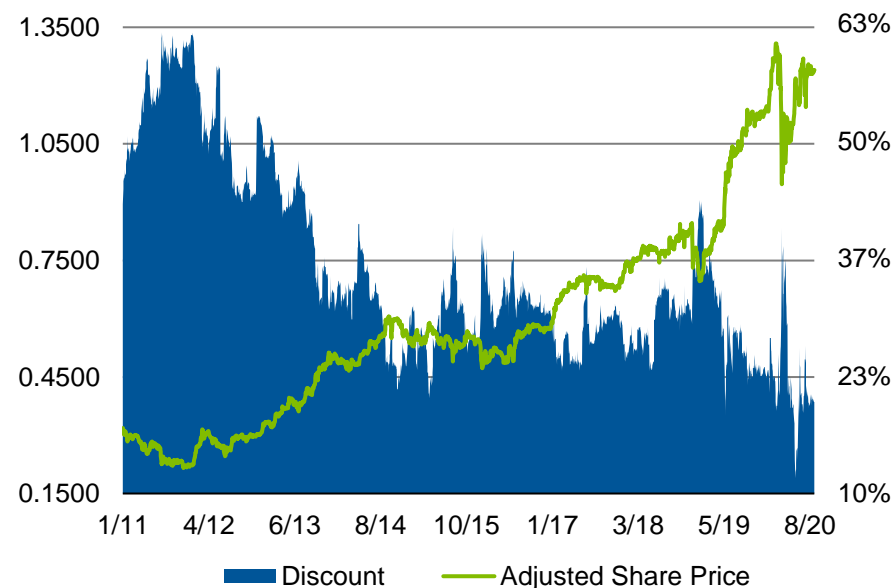
2019 FY Dividend /Share **RON 0.0642**

Dividend Yield for 2019 FY<sup>5</sup> **5.42%**

Maximization of returns to shareholders and increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities



## FP Share Price<sup>6</sup> and Discount (%)



Source: BVB, FP July 2020 Factsheet.

1. As at 31 July 2020. Based on local regulator methodology.

2. Computed using the NBR USD/RON FX rate as at 31 July 2020.

3. Excluding Treasury shares and the equivalent number of shares corresponding to the GDRs, repurchased as at 3 July 2020. Computed using the NBR USD/RON FX rate as at 28 August 2020.

4. As at 3 July 2020.

5. As at 10 June 2020, the Registration date for the 2019 dividend distribution.

6. Source: BVB, for the period 3 January – 28 August 2020 for Share price, and based on the NBR USD/RON FX rate as at 28 August 2020.

LSE and Bloomberg for the period 2 January – 28 August 2020 for GDR estimations.

# NAV, Share price and GDR Performance



## Cumulative Performance

	2011	2012	2013	2014	2015	2016	2017	2018	2019	H1 '20	YTD <sup>1</sup>	Since Performance Inception <sup>1</sup>
NAV (RON)	(0.47)%	8.91%	13.29%	1.39%	(0.60)%	7.33%	13.10%	19.94%	31.23%	(5.93)%	(6.21)%	121.78%
Ordinary Share Price (RON)	(30.32)%	38.30%	61.34%	14.53%	(4.06)%	4.90%	21.46%	9.90%	49.05%	9.87%	8.56%	287.09%
GDR (USD)	N/A	N/A	N/A	N/A	N/A	1.15%	35.88%	(1.94)%	41.41%	10.42%	14.26%	99.24%



## Average Annual Discount

2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD <sup>2</sup>	Current Share Price Discount <sup>3</sup>	Current GDR Price Discount <sup>3</sup>
55.67%	50.09%	40.74%	30.87%	29.12%	32.08%	28.05%	29.54%	29.38%	22.97%	20.39%	22.70%

Source: BVB, LSE, Bloomberg, FP NAV reports.

Note: The discount is calculated based on the latest published NAV available for the day of the calculation.

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. As at 31 July 2020.

2. For the period 3 January – 28 August 2020.

3. As at 28 August 2020.

# Attribution to NAV Performance for Q2 2020



## Top Performers

Company	Status	Weight in total NAV <sup>1</sup>	Change in NAV performance for Q2 2020	% Change in share price/ NAV value per share in Q2 2020
Hidroelectrica SA	Unlisted	46.4%	5.95%	3.8%
OMV Petrom SA	Listed	18.1%	3.75%	11.7%
Nuclearelectrica SA	Listed	3.3%	0.76%	13.5%
Alro SA	Listed	1.4%	0.48%	48.3%
Societatea Nationala a Sarii SA	Unlisted	2.2%	0.37%	19.0%



## Bottom Performers

Company	Status	Weight in total NAV <sup>1</sup>	Change in NAV performance for Q2 2020	% Change in share price/ NAV value per share in Q2 2020
E-Distributie Banat SA	Unlisted	2.5%	(0.15)%	(5.3)%
E-Distributie Muntenia SA	Unlisted	2.1%	(0.06)%	(2.6)%
Alcom SA	Listed	0.1%	(0.03)%	(28.6)%
Engie Romania SA	Unlisted	4.2%	(0.03)%	(3.4)%

**TOTAL NAV PER SHARE CHANGE Q2 2020**

**7.6%**

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

1. Source: 30 June 2020 Detailed Statement of Investments.

# Attribution to NAV Performance for H1 2020



## Top Performers

Company	Status	Weight in total NAV <sup>1</sup>	Change in NAV performance for H1 2020	% Change in share price/ NAV value per share in H1 2020
Hidroelectrica SA	Unlisted	46.4%	1.86%	(3.7)%
Nuclearelectrica SA	Listed	3.3%	0.54%	10.0%
Romaero SA	Listed	0.3%	0.03%	12.1%



## Bottom Performers

Company	Status	Weight in total NAV <sup>1</sup>	Change in NAV performance for H1 2020	% Change in share price/ NAV value per share in H1 2020
OMV Petrom SA	Listed	18.1%	(4.46)%	(27.5)%
CN Aeroporturi Bucuresti SA	Unlisted	7.3%	(2.42)%	(28.1)%
Engie Romania SA	Unlisted	4.2%	(0.62)%	(16.8)%
Societatea Nationala a Sarii SA	Unlisted	2.2%	(0.45)%	(19.4)%
E-Distributie Banat SA	Unlisted	2.5%	(0.45)%	(51.4)%

**TOTAL NAV PER SHARE CHANGE H1 2020** **(9.9)%**

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

1. Source: 30 June 2020 Detailed Statement of Investments.



# Portfolio

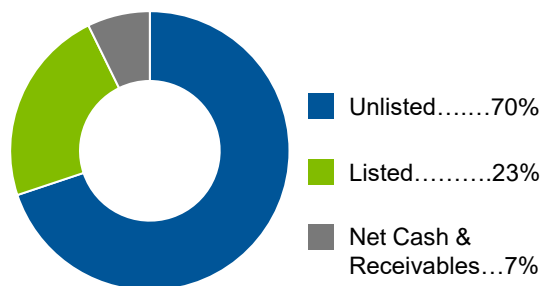
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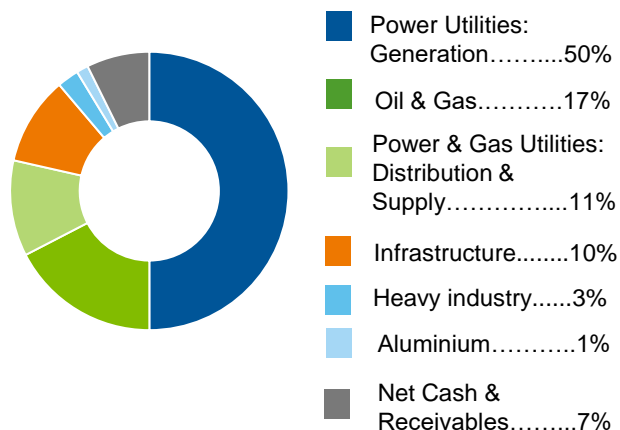
# Portfolio Structure



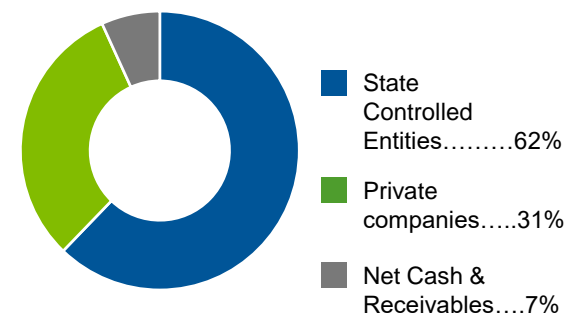
**Listed vs Unlisted**  
as at 31 July 2020 (% NAV)<sup>1</sup>



**By Sector**  
as at 31 July 2020 (% NAV)<sup>1</sup>



**By Controlling Ownership**  
as at 30 June 2020<sup>2</sup>



- As at 31 July 2020, the portfolio included stakes in 33 companies (7 listed and 26 unlisted)
- The net cash and receivables as at 31 July 2020 was USD 180.7 million<sup>3</sup>.

1. Source: FP July 2020 Factsheet.

2. Source: FP H1 2020 Results report.

3. Source: 31 July 2020 NAV report, NBR RON/USD FX rate as at 31 July 2020.

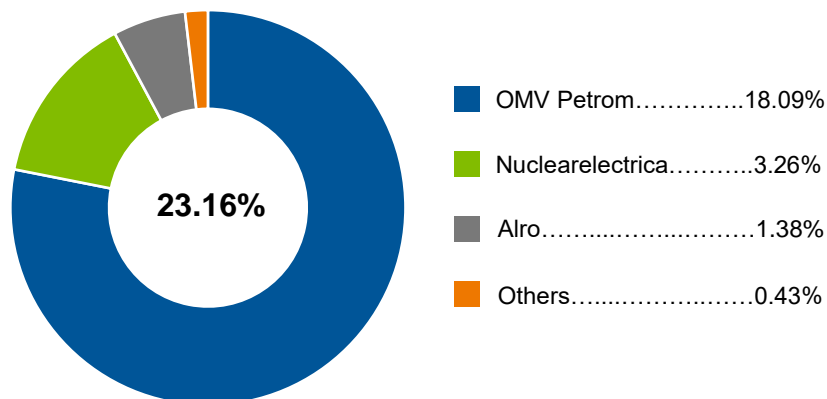


# Portfolio Structure – Listed vs. Unlisted



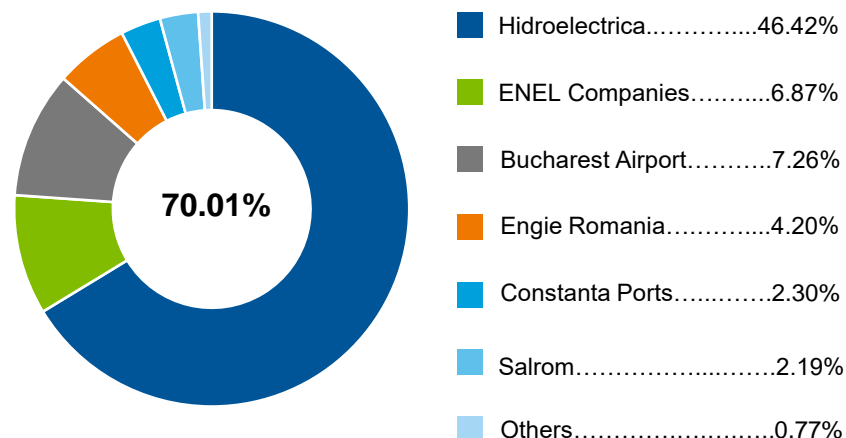
## Listed Companies

(% of NAV as at 30 June 2020)



## Unlisted Companies

(% of NAV as at 30 June 2020)



Source: FP 30 June 2020 Detailed Statement of Investments.

# Largest Holdings by NAV

Portfolio Company	Status	Majority Shareholder	% Stake <sup>1</sup>	NAV as at 31 July 2020 (USD mn)	% in NAV as at 31 July 2020
Hidroelectrica	Unlisted	Romanian State	19.9%	1,154.36	46.6%
OMV Petrom	Listed	OMV	9.9%	430.53	17.4%
Bucharest Airports	Unlisted	Romanian State	20.0%	180.43	7.3%
Engie Romania	Unlisted	Engie	12.0%	104.54	4.2%
Nuclearelectrica	Listed	Romanian State	7.0%	81.77	3.3%
E-Distributie Banat	Unlisted	Enel Group	24.1%	61.94	2.5%
Constanta Ports	Unlisted	Romanian State	20.0%	57.23	2.3%
Salrom	Unlisted	Romanian State	49.0%	54.46	2.2%
E-Distributie Muntenia	Unlisted	Enel Group	12.0%	52.16	2.1%
E-Distributie Dobrogea	Unlisted	Enel Group	24.1%	40.39	1.6%
<b>Top 10 Portfolio Holdings</b>				<b>2,217.81</b>	<b>89.5%</b>
<b>NAV</b>				<b>2,478.15</b>	<b>100.00</b>
<b>NAV Per Share (USD)</b>				<b>0.3819</b>	

Source: FP July 2020 Factsheet. Note: Values in USD calculated using the NBR USD/RON FX rate as at 31 July 2020.

1. Based on the FP 30 June 2020 Detailed Statement of Investments.

# Top Portfolio Holdings – H1 2020 financials

Company	EBITDA (RON mn)			Net profit (RON mn)		
	H1 2019	H1 2020	%yoy	H1 2019	H1 2020	%yoy
Hydroelectrica	1,688.5	1,251.2	(25.9)%	905.1	805.5	(11.0)%
OMV Petrom	3,863.7	2,650.3	(31.4)%	1,974.5	867.0	(56.1)%
Bucharest Airports	305.7	28.02	(90.8)%	193.6	(27.4)	(114.2)%
Nuclearelectrica	639.1	666.9	4.3%	290.6	343.2	18.1%
Alro	430.3	235.1	(45.4)%	253.7	79.7	(68.6)%
<b>Total</b>	<b>6,927.2</b>	<b>4,831.5</b>	<b>(30.3)%</b>	<b>3,617.4</b>	<b>2,068.1</b>	<b>(42.8)%</b>
<b>Weighted Total<sup>1</sup></b>	<b>873.5</b>	<b>588.6</b>	<b>(32.6)%</b>	<b>463.2</b>	<b>272.9</b>	<b>(41.1)%</b>

Source: OMV Petrom, Alro, Nuclearelectrica H1 2020 financial statements and results reports, Hydroelectrica and Bucharest Airports preliminary figures presented by the management.

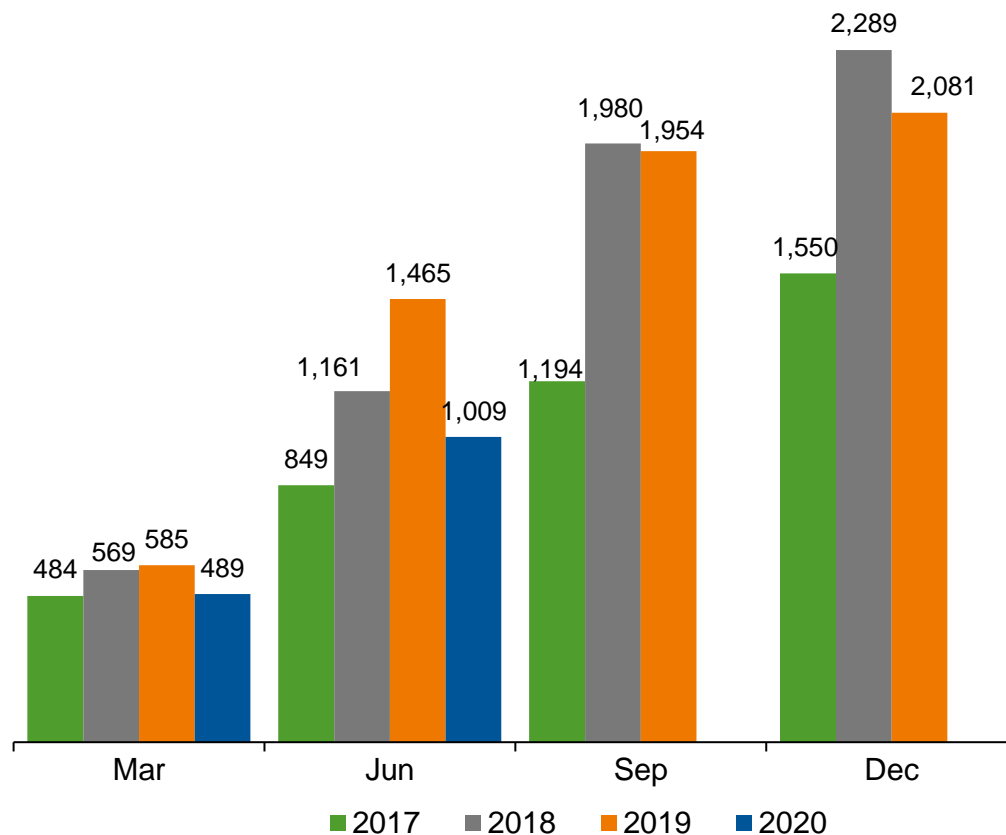
Note: EBITDA is calculated as Operational result + Depreciation and Amortization.

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

## H1 2020 preliminary results:

- According to Hidroelectrica’s management, in H1, the company’s performance was as follows:
  - **Revenues** of RON 1,801.9 mn, down 23.3% y.o.y,
  - **EBITDA** of RON 1,251.2 mn, down 25.9% y.o.y ,
  - **Operating profit** of RON 965.0 mn, down 31.6% y.o.y,
  - **Net profit** of RON 805.5 mn, down 11% y.o.y.
- **Electricity sold** in H1 was 7.87 TWh, down 18.3% compared to H1 2019, out of which electricity sold out of its own production reached 6.94 TWh compared to 8.98 TWh in H1 2019.
- The **average realized electricity selling price** was RON 200.8/ MWh, down 7.4% compared to H1 2019, due to the current regulations forcing the company to sell over the period 1.84 TWh at the regulated price of RON 102.54 / MWh, compared to 1.23 TWh sold at the regulated price of RON 111.61/ MWh in H1 2019.
- The company’s **net cash position** was RON 2.82 bn as at 30 June 2020.

## Pre-tax Cumulated Profit (RON mn)



Source: Hidroelectrica 2016 – 2019 Annual reports and financial statements, press articles, company presentations, management estimations.

- In **H1 2020**:
  - **Sales to external costumers** decreased by 11% compared to H1 2019, due to low oil prices environment, but supported by higher volumes of natural gas
  - **Operating result** was 57% lower due mainly to the drop in retail sales volume, on the back of lockdown measures in Q2
- **Management main assumptions** for 2020:
  - **Average Brent oil** price of USD 40/bbl (from USD 60/bbl guidance before COVID-19 pandemic)
  - **Refining margins** to be below USD 4/bbl (from above USD 5/bbl guidance before COVID-19 pandemic)
  - **Gas demand** expected to be similar to the 2019 level
  - **Costs** are expected to be reduced by RON 1.8 bn, out of which RON 600 mn have been already realized
  - **Dividend progressive policy** remains unchanged
- **Impact** of low **oil price market** environment in 2020, according to the management:
  - A decrease of 1 USD/bbl in Brent price is impacting the company by **EUR 20 million**
  - A decrease of 1 USD/bbl in refining margin is impacting the company by **EUR 25 million**
  - A 5 cents depreciation of EUR/USD exchange rate is impacting the company by **EUR 50 million**
  - A decrease of 1 EUR/MWh in gas price is impacting the company by **EUR 18 million**

Financial and Operational highlights	H1 19	H1 20	%YoY
<b>Sales to external costumers (mn RON)</b>	<b>11,320</b>	<b>10,069</b>	<b>(11.1)%</b>
• Downstream Oil	8,540	6,551	(23.3)%
• Downstream Gas	2,530	3,353	32.5%
<b>Clean CCS Operating Result</b>	<b>2,224</b>	<b>1,250</b>	<b>(43.8)%</b>
<b>Operating Result (mn RON)</b>	<b>2,258</b>	<b>972</b>	<b>(57.0)%</b>
• Upstream	1,582	12	(99.2)%
• Downstream	925	753	(18.6)%
• Corporate and consolidation	(250)	207	(182.8)%
<b>Clean CCS net income</b>	<b>1,901</b>	<b>1,077</b>	<b>(43.4)%</b>
<b>Net income (mn RON)</b>	<b>1,975</b>	<b>867</b>	<b>(56.1)%</b>
Hydrocarbon production (mn boe)	27.56	27.09	(1.7)%
Average Group realized crude price (\$/bbl)	57.98	32.39	(44.1)%
OPEX (\$/boe)	11.43	10.45	(8.6)%
Refining margin (USD/bbl)	3.74	4.36	16.6%
Refinery utilisation (%)	95	92	(3.2)%
Refined product sales (mn tons)	2.57	2.34	(9.0)%
Gas sales volume (TWh)	21.63	31.67	46.4%
Net electrical output (TWh)	1.13	1.68	48.7%

Source: Group's quarterly historical IFRS figures spreadsheet from OMV Petrom 's website.

# C.N. Aeroporturi Bucuresti – Update

<b>Financials<sup>1</sup></b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>H1 2019</b>	<b>H1 2020</b>	<b>%yoy</b>
Operating revenues (mn RON)	754.7	890.9	982.1	1,058.5	509.3	220.9	(56.6)%
Operating result (mn RON)	263.6	337.6	445.3	402.5	226.2	(30.8)	(113.6)%
Net Income / Loss (mn RON)	224.7	290.7	371.8	359.6	193.6	(27.4)	(114.2)%
Number of passengers (mn)	10.99	12.84	13.84	14.73	6.86	N/A	-

## COVID-19 considerations

- The company has been heavily impacted by the current crisis: the number of passengers and flights have seen a significant decline since the beginning of the COVID-19 pandemic.
- ACI Europe, the airport industry trade body, reveals in a report from August 2020<sup>2</sup> :
  - passenger traffic decreased by 64.2% during the first half of 2020 and almost coming to a complete standstill in the second quarter with a drop of 96.4% compared to the same period in 2019
  - following the tentative coordination of the lifting of travel restrictions at EU level as of mid-June, the traffic recovery has been slower than expected. As a result, passenger traffic across the European airport network still decline by 78% in July compared to the same month of last year.

1. Source: CN Aeroporturi Bucuresti IFRS financial statements, company press releases, and preliminary figures.

2. Source: ACI Europe website.



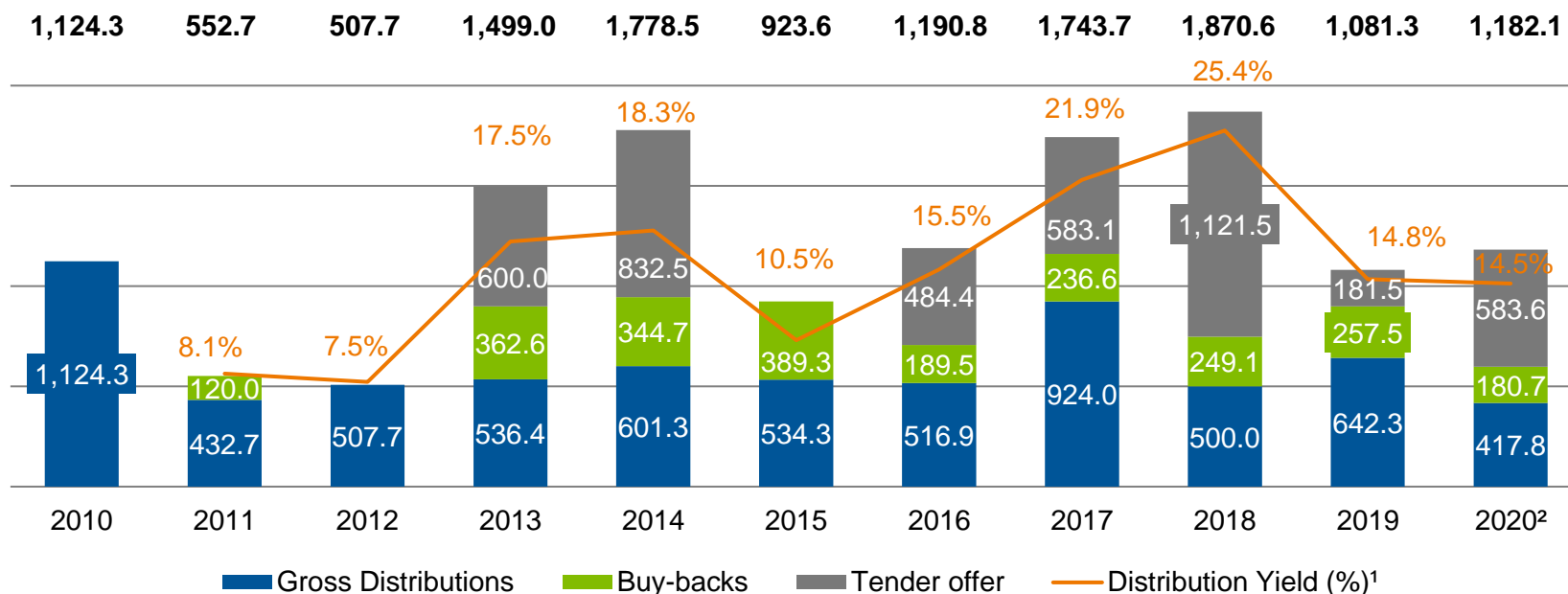
# Corporate Actions



# Distributions to shareholders



## Annual Distributions to Shareholders (RON mn)



The total distributions through buy-backs and cash would amount to RON 13.45 bn/USD 3.62 bn<sup>3</sup>

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 2020, average USD/RON FX as at 28 August.

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. For 2020: average closing share price as at 28 August, average number of paid shares, excluding Treasury shares as at 3 July.

2. Tender offer amount includes also the estimation for the second Tender offer, estimation based on the RON 1.39 per share purchase price and the tender size of 220 million shares. Buy-backs as at 3 July.

3. As at 28 August 2020.

# 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 <sup>1</sup>
Tenth	1 Jan – 31 Dec 2019	Finalized	750.0 mn/8.2%	0.9198 <sup>2</sup>	Auerbach Grayson, BCR	The cancellation of was approved by shareholders in the 28 April 2020 Annual GSM
Eleventh	1 Jan – 31 Dec 2020	Ongoing	800.0 mn/10.5%	1.2811 <sup>3</sup>	Auerbach Grayson, Swiss Capital	The cancellation of shares will be subject to shareholders' approval in 2021

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. Based on the 403,812,443 shares repurchased (309,164,893 ordinary shares and 94,647,550 equivalent shares of the GDRs repurchased).

3. As at 3 July 2020. Based on the 357,848,413 shares repurchased (262,021,563 ordinary shares and 95,826,850 equivalent shares of the GDRs repurchased).

# Eighth Tender Offer

<b>Size of the Offer</b>	220,000,000 shares, in the form of shares and GDRs
<b>Purchase price</b>	RON 1.39 per share and the USD equivalent of RON 69.50 per GDR
<b>Subscription period</b>	4 August – 9 September 2020
<b>Allocation method</b>	Pro-rata
<b>Intermediary</b>	Swiss Capital S.A.
<b>Dealer managers</b>	Swiss Capital S.A. and Auerbach Grayson
<b>GDR Tender Agent</b>	The Bank of New York Mellon

Source: Investment Manager current report.

# Annual dividend income – Top 10 portfolio companies

Top 10 Holdings <sup>1</sup>	Dividend Payout (%)					FP Net Dividend (RON mn)				
	2015	2016	2017	2018	2019	2016	2017	2018	2019	2020
Hydroelectrica	80	90	90	90	90	134.6	206.6	226.2	358.7	250.0
OMV Petrom	-2	94	46	38	48	-2	106.8	107.6	145.3	166.8
Bucharest Airports	75	90	90	90	N/A	27.4	41.2	61.2	68.0	36.7
Engie Romania	-2	30	50	30	30	-2	13.3	20.2	16.4	12.1
Nuclearelectrica	70	88	93	90	90	8.6	8.6	18.5	25.4	33.1
E-Distributie Banat	44	40	39	-2	0	16.8	8.9	7.7	-2	0.0
Constanta Port	75	90	25	25	25	14.1	11.0	4.1	3.7	5.5
Salrom	-2	90	100	90	50	-2	13.8	42.3	37.4	19.8
E-Distributie Muntenia	-2	-2	-2	-2	0	-2	-2	-2	-2	0.0
E-Distributie Dobrogea	44	37	36	-2	0	12.0	6.6	4.3	-2	0.0
<b>Total Top 10 Holdings (RON mn)</b>						<b>213.5</b>	<b>416.8</b>	<b>492.1</b>	<b>654.9</b>	<b>524.0</b>

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

Note: Annual regular dividends, i.e. excluding special dividends. The annual regular dividends are distributed based on the individual financial statements.

1. Source: FP July 2020 Factsheet.

2. The company registered losses.

# Total dividend income from portfolio companies

	FP Net Dividend (RON mn)							
	2013	2014	2015	2016	2017	2018	2019	2020
Total Dividends from Listed Companies (RON mn)	373.9	538.6	251.5	36.0	148.1	199.6	223.0	200.2 <sup>10</sup>
Total Dividends from Unlisted Companies (RON mn)	275.8 <sup>2</sup>	143.5	315.9	315.2	404.5	366.9	710.0	997.3 <sup>10</sup>
Total Annual Dividend Income (RON mn)	649.7	682.1	567.4	351.2	552.6	566.5	673.7	525.0 <sup>10</sup>
Total Special Dividend Income (RON mn)	-	-	-	-	185.2	199.5	259.3	672.5 <sup>10</sup>
<b>Total Dividends (RON mn)</b>	<b>649.7</b>	<b>682.1</b>	<b>567.4</b>	<b>351.2</b>	<b>737.8</b>	<b>766.0</b>	<b>933.0</b>	<b>1,197.5<sup>10</sup></b>
Total Annual Dividend Income per Share (RON) <sup>1</sup>	0.04954	0.05674	0.05310	0.0331	0.0750	0.0797	0.1035	0.0809
Total Special Dividend Income per Share (RON) <sup>1</sup>	-	-	-	-	0.0251	0.0281	0.0398	0.1036
<b>Dividend/Distribution per Share (RON)</b>	<b>0.05000</b>	<b>0.05000</b>	<b>0.05000</b>	<b>0.05000</b>	<b>0.0678</b>	<b>0.0903</b>	<b>0.0642</b>	<b>0.1846<sup>11</sup></b>
Share Price (RON)	0.7640 <sup>3</sup>	0.8130 <sup>4</sup>	0.7200 <sup>5</sup>	0.9180 <sup>6</sup>	0.8990 <sup>7</sup>	1.0150 <sup>8</sup>	1.1850 <sup>9</sup>	
Yield	6.54%	5.84%	6.94%	8.76%	7.54%	8.90%	5.42% <sup>9</sup>	
Yield for Romanian companies (BET)	5.10%	3.50%	4.56%	7.07%	8.59%	9.17%	7.34%	

Source: Fund Manager calculations.

1. Calculation based on the number of paid shares at the Registration date for each year excluding treasury shares at the same date. For 2020, the calculation is based on the number of paid shares excluding treasury shares acquired as at 3 July 2020. Note: The Fund Manager's dividend proposals are calculated based on the Fund's Annual Cash Distribution Policy.

2. Includes dividends from Romgaz and Nuclearelectrica, which were unlisted at that time.

3. As at 30 April 2014.

4. As at 29 May 2015.

5. As at 9 June 2016.

6. As at 6 June 2017.

7. As at 11 June 2018.

8. As at 10 June 2019.

9. As at 10 June 2020.

10. Based on the portfolio companies' dividend distributions approved during the companies' GSMs as at 31 August 2020.

11. Based on the estimated 2020 Total dividends and the number of paid shares excluding treasury shares acquired as at 3 July 2020.



# Financial results

Open	838.63
Low	856.45
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on Close (50)	845.12
on Close (100)	NA
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# Statement of Financial Position

RON mn	30 June 2020 Unaudited	30 June 2019 Unaudited
Cash and current accounts	431.3	631.2
Deposits with banks	139.5	207.8
Treasury bills	-	49.4
Government bonds	152.0	-
Dividend receivables	436.1	227.6
Equity investments	9,449.0	10,178.1
Other assets	0.5	117.8
<b>Total assets</b>	<b>10,608.4</b>	<b>11,411.9</b>
Payables	21.1	19.7
Other liabilities	445.9	657.8
<b>Total liabilities</b>	<b>467.0</b>	<b>677.5</b>
Total equity	10,141.4	10,734.4
<b>Total liabilities and equity</b>	<b>10,608.4</b>	<b>11,411.9</b>

Source: FP H1 2020 Results report.

# Statement of Comprehensive Income

RON mn	H1 2020 Unaudited	H1 2019 Unaudited
Net (loss)/ gain from equity investments at fair value through profit or loss	(1,960.9)	1,041.6
Gross dividend income	1,151.2	680.8
Interest income	6.4	5.6
Other income, net <sup>1</sup>	4.4	3.6
<b>Net operating (loss)/ income</b>	<b>(798.9)</b>	<b>1,731.6</b>
Administration fees recognised in profit and loss	(29.1)	(26.2)
Other operating expenses	(10.1)	(12.0)
<b>Operating expenses</b>	<b>(39.2)</b>	<b>(38.2)</b>
Finance costs	-	(0.3)
<b>(Loss)/ Profit before income tax</b>	<b>(838.1)</b>	<b>1,693.1</b>
Income tax	(10.5)	(9.9)
<b>(Loss)/ Profit for the period</b>	<b>(848.6)</b>	<b>1,683.2</b>
<b>Total comprehensive income for the period</b>	<b>(848.6)</b>	<b>1,683.2</b>

Source: FP H1 2020 Results report.

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

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The Fund's headquarters are located at 78-80 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 share capital is RON 3,959,264,762.44 and paid up share capital is RON 3,770,082,340.44.

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. ("FTIS 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.

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