



FOR IMMEDIATE DISTRIBUTION: 15 NOVEMBER 2023

**FONDUL PROPRIETATEA FINANCIAL RESULTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

Bucharest, 15 November 2023 – Fondul Proprietatea (hereinafter “The Fund”) published today its financial results for the nine months ended on 30 September 2023 and would like to share the following highlights:

- During the third quarter of 2023, the Fund Manager managed to **successfully list its holding in Hidroelectrica on the Bucharest Stock Exchange, the largest ever IPO in Romania.** . It also proceeded to swiftly distribute a significant dividend from the proceeds of this landmark transaction to the Fund’s shareholders.
- **The net loss for the 9-month period ended 30 September 2023 was RON 968.9 million** compared with the net profit of RON 3,510.2 million recorded for the same period in 2022. The loss was mainly determined by the fair value mark down related to Hidroelectrica SA as the initial public offering price was lower compared to the valuation booked for 31 December 2022 (RON 1.87 billion fair value adjustment).
- During the third quarter of 2023, **the NAV per share had an overall decrease of 73.32%** compared to the end of the second quarter mainly due to the approval of the special gross dividend of RON 1.7225 per share and subsequent payment to shareholders. The majority of Hidroelectrica IPO related costs were booked and paid during the third quarter as well.
- In terms of performance objectives, **the adjusted NAV per share as of 30 September 2023 was 3.45% lower** than the 31 December 2022 NAV per share of RON 2.5701.
- **The net decrease in equity investments** was mainly generated by the disposal of the entire holding in Hidroelectrica SA (RON 9.28 billion) combined with the reclassification of Enel holdings as non-current assets held for sale (RON 588.8 million).
- Also during the third quarter of 2023 was the approval of mandate renewal of Franklin Templeton as Fund Manager of the Fund for a period of one year, starting on 1 April 2024 and ending on 31 March 2025.

For more detailed information on the financial results for Q3 2023 please consult the report on www.fondulproprietatea.ro or www.bvb.ro.

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Statement of Financial Position

RON million	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 million	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)

Contacts:

<p>Elena Birjovanu Senior Corporate Communications Manager Franklin Templeton International Services Luxembourg, Bucharest Branch Premium Point, 76-80 Buzesti St., 011017, Bucharest Tel: +40 21 200 9640 Email: elena.birjovanu@franklintempleton.com</p>	<p>Bogdan Biszok Senior PR Manager Golin Metropolis Bravo, 89-97 Grigore Alexandrescu 010627 Bucharest, Romania Tel: + 40.742.100.646 Email: bbiszok@golin.ro</p>
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Notes to Editors

1. About Fondul Proprietatea

Launched in December 2005, Fondul Proprietatea (“the Fund”) was established to compensate Romanians whose properties were confiscated by the former communist government. Following an international tender announced in December 2008, Franklin Templeton Investments was officially appointed as investment manager and sole administrator of the Fund on 29 September 2010.

The Fund is an alternative investment fund and its investment objective is the maximization of returns to shareholders and the increase of the net asset value per share via investments mainly in Romanian equities and equity-linked securities. The Fund listed on the Bucharest Stock Exchange on 25 January 2011 and on the Specialist Fund Market of the London Stock Exchange by means of global depositary receipts (“GDRs”) on 29 April 2015.

The headquarters of Fondul Proprietatea SA are at 76-80 Buzesti Street, 7th Floor, Bucharest District 1, 011017, Romania. For more information on Fondul Proprietatea, please visit <http://www.fondulproprietatea.ro>.

2. About Franklin Templeton Investments

Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 165 countries. Franklin Templeton’s mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company brings extensive capabilities in equity, fixed income, multi-asset solutions and alternatives. With offices in more than 30 countries and approximately 1,300 investment professionals, the California-based company has over 70 years of investment experience and approximately \$1,561.7 billion in assets under management as of 31 October 2021. For more information, please visit www.franklintempleton.ro.

Franklin Templeton established an office in Bucharest in May 2010, with a team of 32 employees, including 6 locally based investment professionals who are further supported by the over 40 portfolio managers and analysts of the wider Templeton Emerging Markets team.

Starting with 1 April 2016, in view of complying with the EU Directive 2011/61 on alternative investment fund managers, the Fund is managed by Franklin Templeton International Services S.À R.L. (“FTIS/ Fund Manager”), 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. A0000154/21 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 B 36.979.

This release herein is issued by FTIS Bucharest Branch, registered therein under the number 40198471.

The office of FTIS Bucharest Branch is located at Premium Point, 8th floor, 76-80 Buzesti St., District 1, Bucharest, Romania. Tel: +40.200.96.00, Fax: +40.200.96.31/32.

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