



Fondul Proprietatea SA

Semi-Annual Report for the six-month
period ended 30 June 2025



This is a translation from the official Romanian version.

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- Annex 1** Condensed Interim Financial Statements for the six-month period ended 30 June 2025, prepared in accordance with IAS 34 Interim Financial Reporting and applying the FSA Norm no. 39/ 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorised, regulated, and supervised by the FSA – Financial Investments and Instruments Sector and to the Fund for Investors Compensation
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List of Abbreviations

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
AVC	Audit and Valuation Committee
BB	Buy-back
BNYM	The Bank of New York Mellon
BoN	Board of Nominees of Fondul Proprietatea SA
BVB	Bucharest Stock Exchange
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
EY	Ernst & Young Assurance Services SRL
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 Depository Receipt
GEO	Government Emergency Ordinance
GEO no. 27/2023	GEO no. 27/2023 regarding amendments of some normative acts in the energy field, for the establishment of some exemptions, as well as the amendment of Article II, paragraphs (1) and (3) of the GEO no. 34/2023 regarding certain fiscal-budgetary measures, the extension of certain deadlines, and the amendment and supplementation of certain normative acts.
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
GEO no. 156/2024	GEO no. 156/2024 regarding certain fiscal-budgetary measures in the field of public expenditures for the foundation of the consolidated general budget for the year 2025, for the amendment and completion of certain normative acts, as well as for the extension of certain deadlines

GEO no. 21/2025	GEO no. 21/2025 for the amendment and completion of title X from Law no. 227/2015 regarding the Fiscal Code, as well as for the amendment and completion of certain normative acts
GEO no. 22/2025	GEO no. 22/2025 for the amendment and completion of GEO no. 109/2011 regarding the corporate governance of state-owned companies, Law no. 187/2023 for the amendment and completion of GEO no. 109/2011 regarding the corporate governance of public enterprises, as well as for repelling certain provisions from normative acts
GO no. 10/2025	Government Ordinance no. 10/2025 on the amendment and completion of certain legislative acts
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
Law no. 162/2017	Law no. 162/2017 regarding the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements
Law no. 11/2025	Law no. 11/2025 amending and supplementing Law no. 24/2017 on issuers of financial instruments and market operations
LSE	London Stock Exchange
NACE	Nomenclature of Economic Activities
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
NRC	Nomination and Remuneration Committee
OCR	Ongoing Charge Ratio
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
TER	Total Expense Ratio
VAT	Value added tax
Y.O.Y.	Year-over-year

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 domain of activity of the Fund according to the Nomenclature of Economic Activities – NACE Rev. 2 and the Fund’s Constitutive Act is NACE Code 643 – mutual funds and other similar financial entities and the main activity is financial investments - NACE Code 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 depository. 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. During the period 29 April 2015 – 24 April 2025 the Fund’s GDRs issued by The Bank of New York Mellon as GDR Depository, having the Fund’s shares as support, have been listed on the Specialist Fund Segment of LSE.

During 2 December 2024 GSM the Fund’s shareholders approved the delisting of the Fund’s GDRs from LSE, a process which was finalised in April 2025. For more information, please see section *Delisting of the Fund’s GDRs from the London Stock Exchange*.

Share information

Listing	Bucharest Stock Exchange: since 25 January 2011
BVB symbol	FP
Bloomberg ticker on BVB	FP RO
Reuters ticker on BVB	FP.BX
ISIN	ROFPTAACNOR5
FSA register no	PJR09FIAIR/400018/28.01.2022
LEI code	549300PVO1VWBFH3DO07
CIIF registration no	AC-4522-12/18.08.2025

Sole Director and AIFM

Franklin Templeton has been the Sole Director of the Fund starting 29 September 2010, with successive mandates of one, two or four years. The portfolio management and the administrative activities are performed by FTIS via its Bucharest Branch.

Management of the Fund during the first semester of 2025

During the six-month period ended 30 June 2025, Mr. Johan Meyer was the permanent representative of the AIFM, being also the portfolio manager of the Fund. During the same period, Mr. Daniel Naftali was 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.

Representation changes at the management level of the Fund effective 1 July 2025

On 29 April 2025 the Sole Director of the Fund announced legal representation changes at the Fund's level effective 1 July 2025, as follows: Mr. Daniel Naftali and Mr. Calin Metes took on the role of Portfolio Managers of the Fund. Mr. Daniel Naftali replaced Mr. Johan Meyer as permanent representative for the Fund, while Mr. Calin Metes was appointed as Substitute of the permanent representative.

Effective with the same date, i.e. 1 July 2025, Mr. Johan Meyer, permanent representative of the Fund stepped down from his management responsibilities related to Fondul Proprietatea, following his decision to leave Franklin Templeton after 21 years of service.

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 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

Management Agreement for the period 1 April 2025 – 31 March 2026

During 27 September 2024 GSM the shareholders 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.

Considering that the two conditions above have not been met by the deadline, FTIS mandate was renewed starting 1 April 2025 for a period of one year, under the same commercial terms as the previous mandate, as illustrated in the table above.

Selection and appointment of a new AFIA of the Fund

During **25 September 2023** GSM the shareholders 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.

On **7 October 2024** the BoN of Fondul Proprietatea announced the commencement of the selection process for an AIFM for the Fund 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 BoN announced the extension of the deadline for submissions of interest from the previously stated 21 October 2024 to 4 November 2024.

On **26 November 2024**, the Fund's BoN announced that it has received five submissions of interest from a diverse range of candidates, with the following details disclosed regarding their identity: 3 diversified global asset managers, a global infrastructure asset manager, and a Romania-based asset manager, with the deadline for Proposal submissions scheduled for 29 November 2024.

On **29 November 2024**, the Sole Director of the Fund informed investors that after careful consideration, it has decided not to submit a response to the Request for Proposal in the ongoing selection process for the Fund's AIFM.

On **2 December 2024** the Fund's BoN announced that, following the passing of the deadline for Proposal submissions on 29 November 2024, it has received submissions from 2 candidates, including: a global infrastructure asset manager and a European-based AIFM in partnership with a Romanian asset management advisory firm. Also, the BoN stated that along with its selection advisor Deutsche Numis will assess the proposals based on the selection criteria approved by shareholders during 27 September 2024 GSM.

On **21 January 2025** the BoN announced that in collaboration with its selection advisor Deutsche Numis, the BoN has conducted an initial review of candidate submissions based on the selection criteria approved by shareholders during 27 September 2024 GSM. Following its review, the BoN announced on the same date that it will conduct additional due diligence and will engage with candidates during scheduled meetings in February 2025, at the office of the selection advisor. In line with the shareholders instructions, the BoN will only select candidates that satisfy the condition to be, or be in a consortium with, an EU regulated AIFM.

On **28 March 2025** the Fund's BoN announced that in collaboration with its selection adviser Deutsche Numis, continued to conduct in-depth reviews of submissions from the two candidates which are: (1) a Luxembourg-based AIFM, in partnership with a global infrastructure asset manager and (2) a Luxembourg-based AIFM, in partnership with a Romanian asset management advisory firm. After the BoN review process, the two candidates submitted updated proposals that refine their previous submissions, enhancing the terms, conditions, and overall structure in a manner favourable to Fondul.

The BoN also announced that it will commence a period of consultation with shareholders of the Fund for the BoN to obtain feedback regarding the strategies proposed by the two candidates. To facilitate these discussions, the BoN additionally disclosed certain elements of the two candidates' submissions. The BoN also noted that shareholders should be aware that both candidates' proposals remain subject to certain conditions including confirmatory due diligence and the negotiation of a legally binding investment management agreement and prior shareholders' approval. The shareholders were invited to submit their views on the new strategies by email to investor.relations@fondulproprietatea.ro, until 18 April 2025, having as

subject line “Shareholder consultation on AIFM candidacies”. Following shareholder consultation and considering feedback received, the BoN announced that it intends to enter a period of two-way due diligence and contractual negotiation with one of the candidates, and to provide investors with a further update.

On **2 May 2025** the BoN announced that, in collaboration with its selection adviser, Deutsche Numis, continued to conduct in-depth review and assessment of submissions from the two candidates. In the context of this in-depth review and assessment process, the two candidates provided further details, refining their previous submissions and enhancing the terms, conditions, and overall structure in a manner favourable to the Fund.

The BoN has selected a preferred candidate, being IRE AIFM HUB S.à R.L. (“IRE AIFM”), a Luxembourg-based AIFM in partnership with Impetum Management SRL (“Impetum”), a Romanian asset management advisory firm.

The BoN emphasised that the announcement represents only the next stage in the selection process. Any decision to put forward a preferred candidate to a vote in the OGM remains subject to satisfactory completion of due diligence and successful negotiation of terms.

The BoN also announced that it will proceed into a two-way due diligence and negotiation of the terms of the investment management agreement with the preferred candidate, prior to submitting the candidate proposal to the OGM for voting.

A further update is expected to be made by the BoN to investors following the completion of the due diligence and negotiation of the main terms.

Additional information on the selection process (including the full announcements of the BoN and 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*
- *Investor Relations - GSM Information*
- *FAQs*
- *Press centre - News*

Also, please see section *Subsequent events* for more updates after the reporting date.

Updates regarding the membership of Fund’s Board of Nominees and consultative committees

On 14 March 2025 the Sole Director announced the decision of the Board of Nominees to change the membership of the Nomination and Remuneration Committee of the Fund by appointing Ms. Ileana-Lacramioara Isarescu in the position previously held by Mr. Alin-Marius Andries.

The membership of the Audit and Valuation Committee remains unchanged. Thus, starting with 15 March 2025, the membership of the Fund’s Consultative Committees is:

The Nomination and Remuneration Committee:

- Mr. Nicholas Paris – Chairperson;
- Mrs. Ilinca von Derenthall – Member;
- Ms. Ileana-Lacramioara Isarescu – Member.

The Audit and Valuation Committee:

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

On 6 May 2025 the Sole Director of the Fund informed shareholders that on 5 May 2025 it has been informed by Ms Ileana – Lacramioara Isarescu of her resignation from the Board of Nominees, as well as the reasons behind her decision to resign.

Also, please see section *Subsequent events* for more updates after the reporting date.

Resolutions adopted during the 2025 Annual GSM of the Fund

During the 29 April 2025 Annual GSM of the Fund the shareholders mainly approved:

- the amendment and update of the Fund’s business object in accordance with the updated Nomenclature of Economic Activities – NACE Rev. 3 and the corresponding amendment of Article 6 of the Fund’s Constitutive Act;
- the decrease of the Fund’s legal reserve by RON 36,986,843.20, from RON 369,868,432.86 to RON 332,881,589.66 following the completion of cancellation of shares acquired within 15th Buyback programme; following the decrease, the corresponding amount will be transferred to Retained earnings and used to set up a reserve;
- the Annual Activity Report of the Sole Director of the Fund for 2024, including the financial statements for the year ended on 31 December 2024 prepared in accordance with the IFRS; the ratification of all legal acts concluded, adopted or issued on behalf of Fondul Proprietatea, as well as of any management/ administration measures adopted, implemented, approved or concluded during 2024, along with the discharge of the Sole Director for any liability for its administration during 2024;
- the Remuneration Report of Fondul Proprietatea for 2024;
- the Remuneration Policy of the Fund applicable to the mandate started on 1 April 2025;
- the partial covering with the amount of RON 689,417,797.42 from various elements of Retained earnings the negative reserves of RON 774,756,257.81 incurred during 2024 on the cancellation of the treasury shares acquired during 2023;
- the approval of the distribution of the 2024 net audited accounting profit, as follows:
 - to partially cover with the amount of RON 85,338,460.39 the negative reserves of RON 774,756,257.81 incurred during 2024 on the cancellation of the treasury shares acquired during 2023;
 - a gross dividend distribution of RON 0.0409 per share from 2024 financial year audited profit, with Payment date 19 June 2025, Ex-date on 27 May 2025 and Registration date on 28 May 2025;
 - to allocate from 2024 net audited accounting profit an amount of RON 1,366,923.22 to other reserves to be used for covering the negative reserves estimated to arise in 2025 from the cancellation of treasury shares acquired 2024 buy-back programme;
 - the remaining 2024 accounting profit in amount of RON 33,915,095.21 will remain available to shareholders under Retained earnings for further use.
- to set-up additional Other reserves in amount of RON 36,986,843.20, to be used in the future periods to cover the negative reserves of RON 38,353,766.42 to be incurred during 2025 upon the completion of the cancellation of the treasury shares acquired during the 2024 buy-back programme;
- the additional fees for Ernst & Young Assurance Services, the Fund’s financial auditor, for the audit of the financial statements for 2024, amounting to EUR 21,000 (before VAT);

- the reclassification of the amount of RON 1,776,611 from the category “Expenses related to listing of portfolio holdings” to “Fund Manager Selection related expenses” for the payment of services related to the selection of an AIFM, including negotiations of the management agreement with the AIFM, financial advisory services and legal services required for this purpose, along with the approval of the corresponding amendment to the 2025 Fondul Proprietatea Budget.

Shareholder structure information

Shareholder structure as at 30 June 2025

Shareholder categories ¹	% of subscribed and paid-up share capital	% of total voting rights	% of total exercisable voting rights ²
Treasury shares ³	14.23%	14.23%	-
Romanian private individuals	49.83%	49.83%	58.11%
Romanian legal entities	13.63%	13.63%	15.90%
Ministry of Finance	10.42%	10.42%	12.15%
Foreign private individuals	5.54%	5.54%	6.45%
Foreign legal entities	6.35%	6.35%	7.39%

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. 355,642,723 treasury shares acquired in 2024 within the 15th buyback program and 150,604,495 treasury shares acquired in 2025 within the 16th buyback program (either in the form of shares and/or GDRs).

As at 30 June 2025, the Fund had 22,606 shareholders. The total number of voting rights was 3,556,427,239, out of which a total of 3,050,180,021 exercisable voting rights.

Delisting of the Fund’s GDRs from the London Stock Exchange

On 2 December 2024 GSM the Fund’s shareholders approved the delisting of the Fund’s GDRs from the LSE. On 12 December 2024 the Sole Director informed shareholders of the initiation of the cancellation of trading with respect to the GDRs from the Specialist Fund Segment of the Main Market of the LSE and of the termination of the Deposit Agreement dated 27 April 2015 in respect of the GDRs between the Fund and The Bank of New York Mellon.

The last day of trading in the GDRs on the LSE was 24 April 2025 and the cancellation of trading took effect on 25 April 2025. For other information regarding the delisting of the Fund’s GDRs from the LSE, please see the Fund’s website, section *FAQs - The cancellation of trading with respect to the GDRs corresponding to the shares of Fondul Proprietatea from the LSE*.

The Fund’s GDRs symbol on LSE was “FP.”, the Bloomberg ticker on LSE was “FP/ LI” and the Reuters ticker on LSE was “FPq.L”. During 1 January 2025 – 24 April 2025, 221,041 Fund’s GDRs were traded on LSE, with price varying between USD 3.18 per GDR and USD 4.26 per GDR, at an average daily turnover of USD 10.52 thousands. The average discount of GDR price to NAV during the same period was 48.7%.

Share capital information

	30 June 2025	31 December 2024	30 June 2024
Issued share capital (RON)	1,849,342,164.28	1,849,342,164.28	2,947,779,186.56
Paid in share capital (RON)	1,849,342,164.28	1,849,342,164.28	2,947,779,186.56
Number of shares in issue	3,556,427,239	3,556,427,239	5,668,806,128
Number of paid shares	3,556,427,239	3,556,427,239	5,668,806,128
Nominal value per share (RON)	0.52	0.52	0.52

Source: National Trade Registry

During 2 December 2024 GSM the shareholders approved the decrease of the subscribed and paid-up share capital of the Fund 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 during 2024 through the 15th buy-back programme. The share capital decrease was recorded on 13 August 2025, after all legal and regulatory steps related to the cancellation were completed – for more details please see section *Subsequent events*.

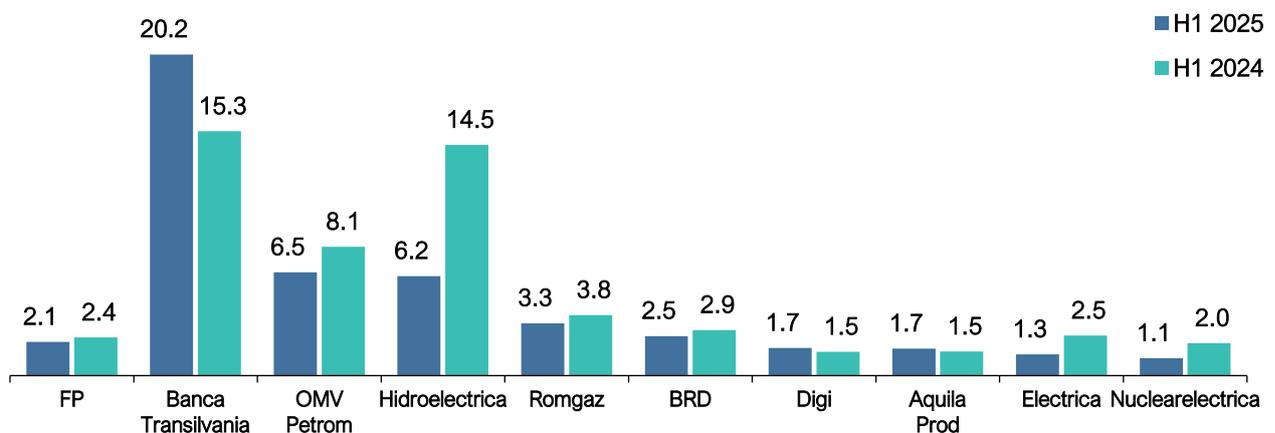
Capital markets

In the H1 2025 BVB recorded the lowest performance in both EUR and local currency terms compared to the largest markets in Central Europe:

% Change in H1 2025	in local currency	in EUR
WIG20 Index (Poland)	30.3%	31.0%
PX Index (Czech Republic)	28.7%	30.9%
BUX Index (Hungary)	22.4%	26.7%
ATX (Austria)	26.0%	26.0%
BET-XT (Romania)	13.5%	11.2%

Source: Bloomberg

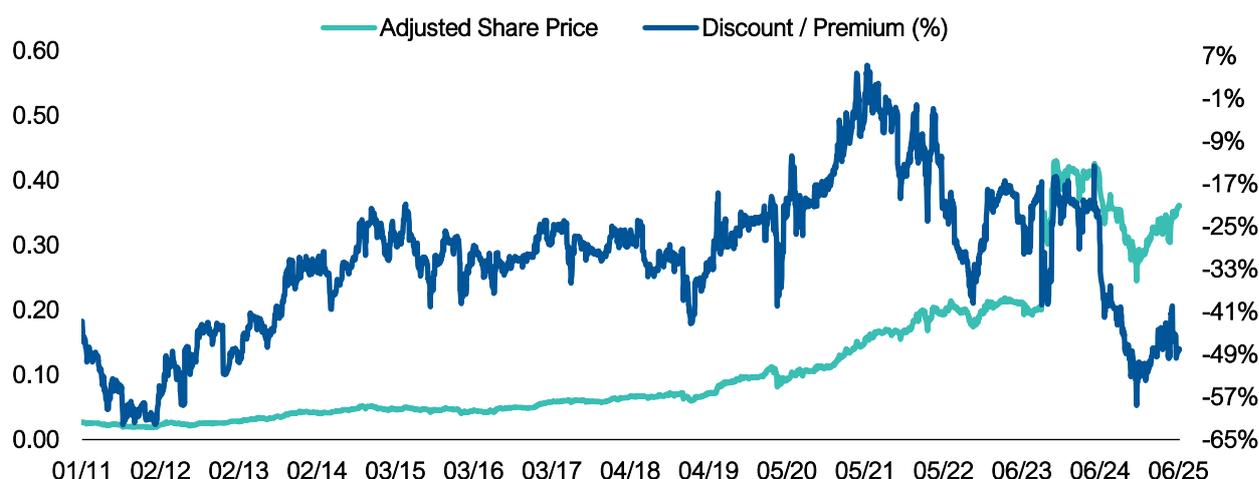
Average Daily Turnover (RON million)



Source: BVB, Bloomberg

Note: The values for FP (in both H1 2024 and H1 2025) and Romgaz (in H1 2024) also include the GDR trading on LSE - the delisting of FP GDRs from LSE was finalised on 25 April 2025, while the delisting of Romgaz GDRs from LSE was finalised on 31 December 2024.

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 and the Management Agreement in force, the current reporting period for the performance objectives is from 1 January 2025 until 31 December 2025.

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 June 2025 was RON 0.7403 per share, 5.3% higher than the 31 December 2024 NAV per share of RON 0.7029.

NAV Objective	Amount RON	Details
Total NAV as at 30 Jun 2025	2,125,615,846	
Dividend distributions starting 1 Jan 2025	126,888,409	Gross dividend distribution of RON 0.0409 per share approved on 29 Apr 2025 with Payment date 19 Jun 2025
Distribution fees for dividend distributions performed starting 1 Jan 2025	2,220,547	Distribution fee for dividend distribution with Payment date 19 Jun 2025

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 see the IPS available on the Fund's webpage.

NAV Objective	Amount RON	Details
Distribution fees for buy-backs starting 1 Jan 2025	947,831	Distribution fee for Buy-back programme no. 16
Other costs related to buy-backs starting 1 Jan 2025	151,190	Fees related to buy-back programmes, excluding the distribution fees for buy-backs
Other costs related to dividends paid starting 1 Jan 2025	1,803	Central Depository and Paying Agent fees
Total Adjusted NAV as at 30 Jun 2025	2,255,825,626	
Number of paid shares, less own shares held as at 30 Jun 2025	3,047,153,852	
Adjusted NAV per share as at 30 Jun 2025	0.7403	
NAV per share as at 31 Dec 2024	0.7029	
Difference	0.0374	
%	+5.3%	

Source: Sole Director calculations

Discount Objective

During H1 2025, the discount to NAV was above 15% in all trading days.

	Discount at 3 Jan 2025	Discount at 30 Jun 2025	Average Discount 3 Jan – 30 Jun 2025	Discount Range 3 Jan – 30 Jun 2025
FP share	-50.8%	-48.1%	-47.6%	min -39.9%/ max 53.9%

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 Sole Director proposed an annual dividend distribution of RON 0.0409 per share with payment date 19 June 2025, that was approved by shareholders during 29 April 2025 Annual GSM.

Also, following Sole Director's proposal, during 2 December 2024 GSM the shareholders approved the 16th buyback programme for 320 million shares for 2025, that was started on 3 February 2025. On 28 July 2025, the Sole Director submitted to the FSA an application for the approval of a tender offer in relation to the Buy-back programme no. 16 – for more details please see section *Subsequent events*.

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 first six months of the year, in our efforts to increase the visibility and the profile of the Fund, as well as the local capital market, and Romania, to a broader international institutional investor base, the Fund's management team met with investors interested in finding out more details about Fondul Proprietatea and its equity story, and in receiving updates on the Fund, its corporate actions, and the main portfolio holdings, as well as on the Romanian macroeconomic environment.

During the first six months, we attended one investor conference in London, meeting with 5 representatives of international institutional investors.

On 16 January we organised Fondul Proprietatea 2024 Preliminary Annual results Conference Call with institutional investors and financial analysts, where 19 professionals participated.

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Furthermore, during the first six months of 2025, we organised 4 conference calls and 8 in-person meetings 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 Fund Manager and investors remains our top priority as we aim to ensure that investors are informed about the latest developments and obtain their feedback as we continue to focus on maximising shareholder value.

Changes to the Constitutive Act of the Fund

During 2024 the shareholders approved the following changes to the Fund's Constitutive Act:

- approval of the amendment of Article 19(3) of the Fund's Constitutive Act, to extend the maximum mandate term of the AIFM to 4 years (EGM Resolution no. 6 of 27 September 2024);
- approval of the amendment of Article 20 of the Fund's Constitutive Act, regarding appointment of the replacement for the permanent representative (EGM Resolution no. 7 of 27 September 2024);
- approval of the amendment of Article 7 of the Fund's Constitutive Act with the new value of the subscribed and paid-up share capital of the Fund and corresponding number of shares, once the share capital decrease 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 during 2024 through the 15th BB programme will be finalised (EGM Resolution no. 9 of 2 December 2024).

The updated Constitutive Act, as approved by shareholders through EGM Resolutions no. 6 and 7 of 27 September 2024, was authorised by FSA through the Authorisation no. 22 /13 March 2025 and entered into force on 31 March 2025, at the date of registration with the Trade Registry.

The updated Constitutive Act, as approved by the shareholders through EGM no. 9 of 2 December 2024 was authorised by FSA through the Authorisation no. 86/7 august 2025 and entered into force on 13 august 2025, at the date of registration with the Trade Registry.

During 29 April 2025 GSM the shareholders approved the amendment and update of the Fund's business object in accordance with the updated Nomenclature of Economic Activities – NACE Rev. 3 and the corresponding amendment of Article 6 of the Fund's Constitutive Act (EGM Resolution no. 1 of 29 April 2025).

Also, please see section *Subsequent events* for more updates after the reporting date.

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.

Report on gender representation in governance structures

Applicability of legal provisions

According to the provisions of Article 109⁶ of Law no. 24/2017, companies listed on a regulated market are required to submit annually to the FSA, by 15 July, information regarding gender representation within their management bodies, distinguishing between executive and non-executive directors, as well as other related information.

Fondul Proprietatea is an externally managed AIF, which implies a governance structure distinct from that of traditional commercial companies governed by Law no. 31/1990 – Companies Law. As such, the Fund does not have a board of directors, and the executive management is fully exercised by FTIS, as the AIFM and Sole Director.

Therefore, the provisions regarding gender representation among executive and non-executive directors do not directly apply to this structure. Nonetheless, to ensure transparency and voluntary alignment with corporate governance best practices, Fondul Proprietatea has conducted the required analysis with reference to the Board of Nominees – a specific entity of the Fund's structure, with oversight responsibilities.

The related report was submitted to the FSA within the regulatory deadline and a summary of this is presented below.

Composition of the Board of Nominees

The Board of Nominees is considered, by analogy, a non-executive body, as it does not perform executive management functions.

As at 30 June 2025, the composition of the Board of Nominees was as follows:

- 3 male members
- 2 female members¹

Thus, gender representation within this body shows that the underrepresented gender (female) occupies 40% of the positions, in line with the target established under Article 109³ (1) of Law no. 24/2017.

Executive management

Given that executive management is performed by FTIS, as the AIFM and Sole Director, the Fund is not in a position to report on gender representation regarding executive directors, as understood in Law no. 31/1990 on Companies.

Measures taken and ongoing initiatives

In 2025 the Fund initiated an internal review regarding the current state of gender balance, in line with the requirements of Law no. 24/2017, and in the spirit of the recommendations provided by the “Practical Guide for Gender Balance in the Leadership of Listed Companies”, published by the Romanian Investor Relations Association (ARIR), in partnership with the National Agency for Equal Opportunities for Women and Men (ANES).

¹ Starting 6 August 2025, the position held by Ms. Ileana - Lacramioara Isarescu is vacant, as a result of Ms. Isarescu's resignation from her role as a member of the Board of Nominees of the Fund. The appointment of a new BoN member is on the agenda of the next OGM – for more details please see section *Subsequent Events*.

This initiative included:

- assessing gender representation within Fondul Proprietatea's governance structures; and
- identifying potential gaps and areas for improvement.

Currently, the internal corporate governance policies are under revision, aiming to align internal corporate governance policies with the new legal requirements and best practice recommendations, strengthen gender balance principles and implement formal mechanisms to monitor and promote diversity.

Macroeconomic environment

According to the IMF¹, the sharp increase in April 2025 of US tariffs and the countermeasures announced by its trading partners have created significant economic uncertainty and negatively impacted growth, making future projections more challenging.

Global GDP growth¹ was 3.3% in 2024 and it is projected to drop to 3.0% in 2025 and 3.1% in 2026 - down from 3.3% for both years estimated in the January 2025. According to IMF¹, **Romania's GDP growth** is expected to reach 1.6% in 2025 (down from the previous estimate of 3.3%) and to accelerate to 2.8% in 2026 (down from the previous estimate of 3.7%).

IMF projections¹ forecast **global inflation** to fall from an annual average of 5.7% in 2024 to 4.2% in 2025 and 3.6% in 2026. According to Eurostat², the EU annual inflation rate was 2.0% in June 2025, down from 2.5% in June 2024. According with the same publication, in June 2025 Romania recorded the highest annual **inflation rate** in the EU, of 5.8%, up from 5.3% in June 2024.

According to the BVB³, the Romanian **capital market** increased by 13.1% in H1 2025, taking into account the total market capitalisation.

The latest change in the **key monetary policy rate** was made by the National Bank of Romania on 8 August 2024, when it decided to decrease it by 0.25% to 6.50%.

Regulatory updates

BVB Corporate Governance Code in force starting 1 January 2025

On 9 December 2024, the Bucharest Stock Exchange published the revised Corporate Governance Code reflecting recent regulatory changes, global standards and stakeholders' priorities (the "new Code"). Companies are expected to start adjusting their practices in line with the new Code from 1 January 2025. Therefore, the annual report of the companies for financial year 2025 will be the first report that companies have to prepare based on the provisions of the new Code.

Compared to the previous version of the Code, companies will not only have to state whether they comply or not but also publish information on how the provisions have been applied, including actions taken to achieve compliance and the results of those actions.

The Fund is currently in the process of implementing the requirements of the new BVB Corporate Governance Code.

¹ World Economic Outlook, April 2025 and July 2025, www.imf.org

² Eurostat – Euro Indicators Publication from 17 July 2025, www.ec.europa.eu/eurostat

³ BVB Monthly bulletin – December 2024 and June 2025, www.bvb.ro

GEO no. 156/2024 regarding fiscal-budgetary measures in the field of public expenditures

Starting from 1 January 2025 the standard dividend withholding tax rate has been increased from 8% to 10%. That means that if the Fund receives dividends in 2025 from a portfolio entity which does not benefit from the holding exemption (the Fund needs to hold more than 10% of the share capital of the dividend paying entity for at least 1 year to benefit from this exemption), the dividends will be subject to a 10% withholding tax.

Moreover, starting 1 January 2025, the standard withholding tax rate applicable for dividend distributions of the Fund to its shareholders is 10%. Where applicable, the Sole Director of the Fund analyses the specific documentation received from shareholders in accordance with the General Dividend Payment Procedure to assess if a more favourable rate is applicable.

Also, please see section *Subsequent events* for more updates after the reporting date regarding the applicable dividend withholding tax rate.

Government Ordinance no. 10/2025

On 4 February 2025, GO no. 10/2025 entered into force, modifying Art 65(3¹) of Law no. 162/2017, introducing the provision that experience of at least 3 years as a member of audit committees established within the boards of directors or supervisory boards of public interest entities/ companies is also recognised for meeting the legal requirements in respect of membership of audit committees of the companies.

The structure and membership of the Fund's Audit and Valuation Committee is already compliant with the new requirements.

Law no. 11/2025 amending and supplementing Law no. 24/2017

On 15 March 2025 Law no. 11/2025 entered into force, amending and supplementing Law no. 24/2017 on issuers of financial instruments and market operations. Based on a preliminary analysis, the following main aspects relevant for the Fund's activity were identified:

- Semi-annual/quarterly reports – changes regarding the statement of persons responsible, reporting deadline, publication requirements;
- GSM organisation: changes regarding the GSM procedure, timing of GSM related actions;
- Internal policies and procedures: amendments to related parties monitoring and reporting requirements.

The Fund is currently in the process of implementing the necessary changes to ensure compliance with the new regulatory requirements.

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.

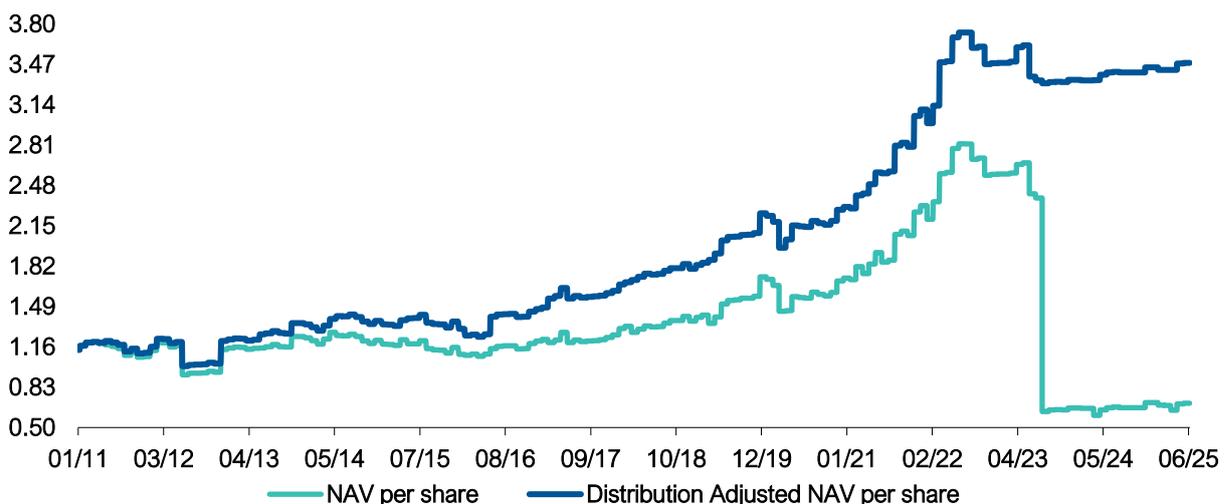
Starting with 28 January 2022, the date when the Fund's registration process as an AIF with the FSA was finalised, the Fund started to apply the Romanian AIF Law (Law no. 243/2019) and AIF Regulation (Regulation no. 7/2020).

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 was also deducted, together with the number of ordinary own shares bought back and held, during the relevant periods¹.

NAV evolution

Evolution of distribution adjusted NAV per share



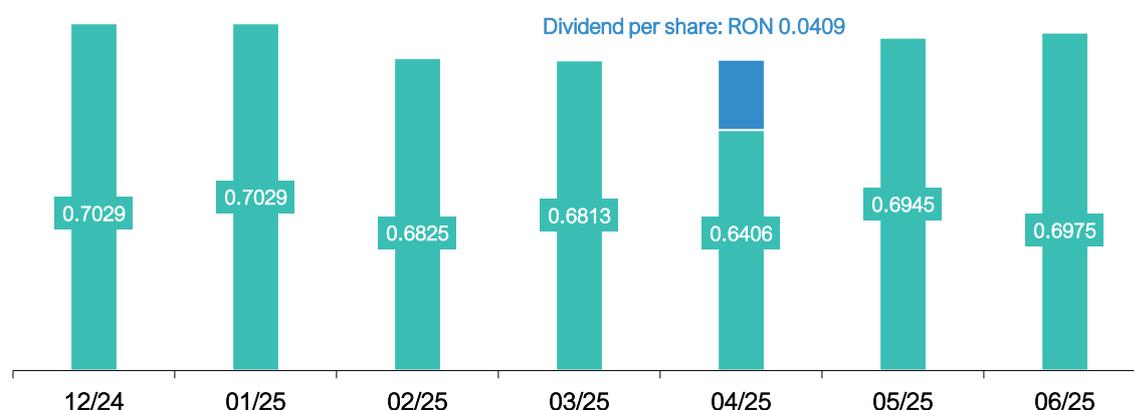
Source: Sole Director calculations

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

¹ During the period 29 April 2015 – 24 April 2025 the Fund's GDRs issued by The Bank of New York Mellon as GDR Depository, having the Fund's shares as support, have been listed on the Specialist Fund Segment of LSE.

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 2024 to 30 June 2025:



Source: Sole Director calculations

Note: The 16th BB Programme started on 3 February 2025 through daily trades on BVB.

The main valuation updates during the **Q1 2025** are presented below.

On 15 January 2025 the Fund published the Preliminary results report for 2024 together with 31 December 2024 NAV. Subsequent to the publication, the Fund has analysed the events between 31 October 2024 (date of valuation reports for 31 December 2024 NAV) and 31 December 2024 and has adjusted the value of 6 holdings for a total negative impact of RON 87.9 million.

The difference in valuation of equity investments in the IFRS financial statements of the Fund authorised for issue on 14 March 2025 vs. the NAV reporting at 31 December 2024 published on 15 January 2025 was mainly driven by the newly introduced tax on special constructions (in case of CN Administratia Porturilor Maritime SA, CN Administratia Canalelor Navigabile SA, CN Administratia Porturilor Dunarii Fluviale SA, CN Administratia Porturilor Dunarii Maritime SA) and the performance of certain companies in Q4 2024 (Societatea Nationala a Sarii SA, Complexul Energetic Oltenia SA). In addition, the valuation of CE Oltenia SA at 31 December 2024 in the IFRS financial statements was also impacted by the uncertainties resulting from the delays in the implementation of the restructuring plan, along with the associated costs, particularly concerning CO₂ certificates, stemming from potential amendments to carbon production quotas.

Details regarding the adjustments performed are presented in the table below:

Portfolio company	Value in	Value in	Difference	
	31 Dec 2024 IFRS (Audited)/ 31 Mar 2025 NAV	31 Dec 2024 NAV	RON million	%
CN Administratia Porturilor Maritime SA	357.7	371.7	(14.0)	-3.8%
Societatea Nationala a Sarii SA	297.5	326.8	(29.3)	-9.0%
Complexul Energetic Oltenia SA	6.0	43.1	(37.1)	-86.1%
CN Administratia Canalelor Navigabile SA	7.6	14.2	(6.6)	-46.5%
CN Administratia Porturilor Dunarii Fluviale SA	4.6	4.9	(0.3)	-6.1%
CN Administratia Porturilor Dunarii Maritime SA	2.9	3.5	(0.6)	-17.1%
Total	676.3	764.2	(87.9)	-11.5%

Source: Sole Director calculations

During **Q2 2025**, the NAV per share increased 2.4% 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 decrease of RON 7.0 million vs. 31 March 2025 NAV - details included below), the dividends recorded from portfolio companies (RON 155.4 million), the dividend distribution approved by the Fund's shareholders in April (RON 126.9 million) and the 16th buyback programme carried out by the Fund during this period (106.1 million shares acquired for a total value of RON 38.1 million).

In June the Fund performed valuation updates for the 3 largest unlisted holdings, which represent 95.4% of the Fund's total unlisted portfolio as at 30 June 2025. 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 2025 (date for the market information) and it was based on the financial data of the companies as at 31 March 2025. The reports also considered all relevant subsequent events until 30 June 2025 (such as dividends declared, changes in legislation, etc.).

For the portfolio company Societatea Nationala a Sarii SA, following the flooding of the Praid mine, the independent valuer performed several scenarios to estimate the value of the company considering this occurrence and the limited information available at the date of the valuation report. The scenario considered to be the best estimate given the unfolding events and uncertainties, assumes that all costs related to recovery of Praid operations and salary costs for Praid employees for 7 months of 2025 are covered from subventions received. According to the selected scenario, the revenue corresponding to Praid mine would return to prior estimated levels (either from the mine reopening or alternative sources) at the beginning of FY 2026. The uncertainties embedded in the scenario selected resulted in a higher weighted average of cost capital being applied.

The total impact of the valuation update was a decrease of RON 50.3 million compared to 31 December 2024 NAV.

Portfolio company	Value in 30 Jun 2025 NAV	Value in 31 Mar 2025 NAV/ 28 Feb 2025 NAV	Value in 31 Dec 2024 NAV	30 Jun 2025 NAV vs. 31 Dec 2024 NAV	
	RON million	RON million	RON million	RON million	%
CN Aeroporturi Bucuresti SA	1,063.3	1,033.9	1,033.9	29.4	+2.8%
CN Administratia Porturilor Maritime SA	358.2	357.7	371.7	(13.5)	-3.6%
Societatea Nationala a Sarii SA	260.6	297.5	326.8	(66.2)	-20.3%
Total	1,682.1	1,689.1	1,732.4	(50.3)	-2.9%

Source: Sole Director calculations

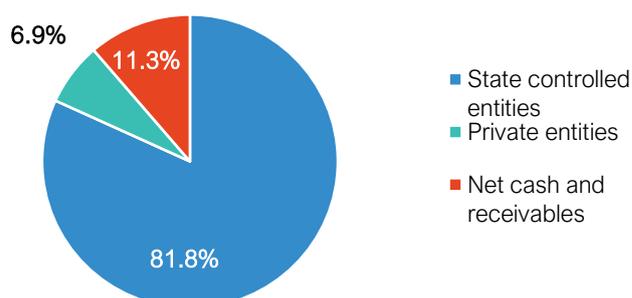
The Fund will continue to closely monitor the evolution of financial markets and that of the specific industries the portfolio companies operate in, and for each NAV reporting date will assess if an updated valuation is required.

Portfolio

Portfolio structure

The equity exposure amounted to 88.7% of the Fund's NAV as at 30 June 2025. As at that date, the portfolio was composed of holdings in 23 companies (5 listed and 18 unlisted), a combination of privately held and state-controlled entities.

Portfolio structure – by controlling ownership

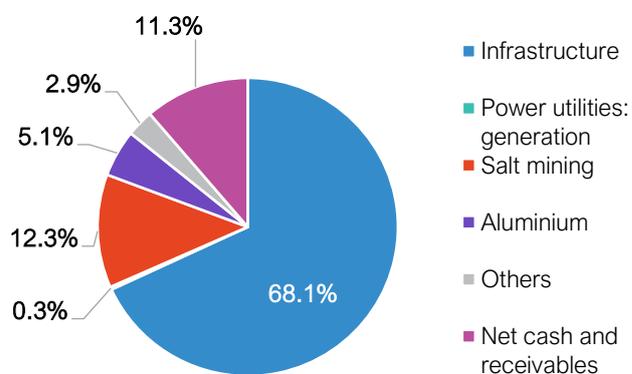


Net cash and receivables include bank deposits, current bank accounts, dividend receivables as well as other receivables and assets, net of all liabilities, including liabilities to shareholders related to dividend distributions.

Source: Sole Director calculations

Note: % in total NAV as at 30 June 2025

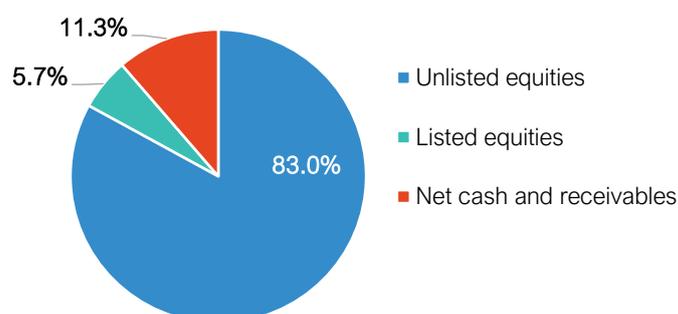
Portfolio structure – by sector



Source: Sole Director calculations

Note: % in total NAV as at 30 June 2025

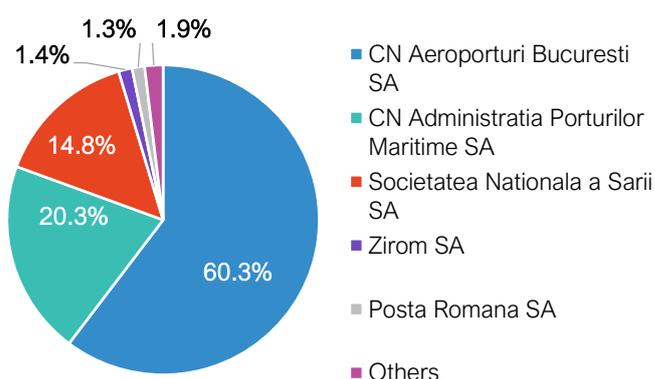
Portfolio structure – by asset type



Source: Sole Director calculations

Note: % in total NAV as at 30 June 2025

Portfolio structure – unlisted holdings

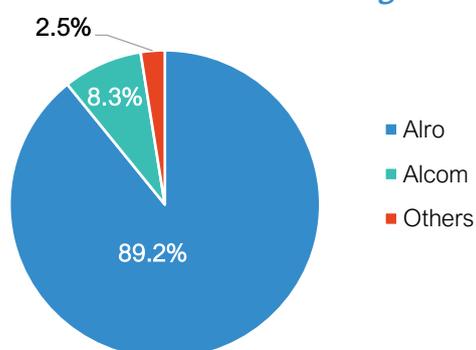


The largest unlisted holding is CN Aeroporturi Bucuresti SA (50.0% of the NAV)

Source: Sole Director calculations

Note: as at 30 June 2025. 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 (5.1% of the NAV)

Source: Sole Director calculations

Note: as at 30 June 2025. 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 H1 2025, the Fund recorded **annual** dividends from 5 companies in the Fund's portfolio related to the 2024 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 in H1 2025 is RON 155.4 million.

The table below presents details on the annual dividends declared by the portfolio companies during the six-month period ended 30 June 2025:

Portfolio company	Gross amounts (RON million)	Date of recording in accounting	Collection date
CN Aeroporturi Bucuresti SA	103.0	26-May-25	23-Jul-25
Societatea Nationala a Sarii SA	52.0	20-May-25	17-Jul-25
Others	0.4	May 2025	Jul 2025
Total	155.4		

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.

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. Decision no. 373/7 March 2024 issued by the Bucharest Court of Appeal is final. On 27 January 2025, the Bucharest Court of Appeal also issued the reasoning of Decision no. 373/7 March 2024.

On 8 July 2025, Ministry of Transport approved within a GSM the Resolution no. 8/8 July 2025, to restart the valuation process for the share capital increase with the value of the lands at Baneasa Airport. The Fund challenged this GSM decision in court, before Ilfov Tribunal. As at the publication date of this report, the first hearing date has not yet been set.

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 13 December 2024, the court admitted the opposition filed by the Fund and the request for registration of EGM Resolution no. 15/26.10.2021 with the Trade Register was dismissed. The decision became final, not being appealed within the legal term;
- 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 suspend the proceedings pending a plea of unconstitutionality raised by the Fund regarding certain provisions from the Contentious administrative Law no. 554/2004; the plea of unconstitutionality is currently pending with the Constitutional Court;
- Action against the valuation report issued by ANG Consulting SRL; at the hearing on 10 June 2025, the court rejected, as inadmissible, the action for the annulment of the valuation report issued by ANG Consulting SRL filled by the Fund. The decision is subject to appeal within 30 days from the date of communication;
- 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. On 10 January 2025, the court rejected, as unfounded, the action for annulment of the EGM Resolution no. 14/24.09.2019 filed by the Fund. The judgment of the court was communicated on 20 August 2025 and is subject to appeal within 30 days from the date of communication.

For full details regarding the litigations between the Fund and CN Aeroporturi Bucuresti SA regarding the share capital increase with the plots of land inside Baneasa airport, please also see the Annual reports of the Fund for the financial years 2023 and 2024.

Valuation of CN Aeroporturi Bucuresti SA

Within the NAV reports prepared during H1 2025, 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 2024. This approach was confirmed by the Bucharest Court of Appeal's decision from 7 March 2024 and the related reasoning issued on 27 January 2025.

Assuming the share capital increase would be 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 Sole Director would analyse the future actions of CN Aeroporturi Bucuresti SA and the potential impact on the valuation of the company. The Fund will implement any necessary legal actions to protect the interest of the shareholders, as needed and depending on the future actions of the company related to the share capital increase process.

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 implementation of the Restructuring Plan will lead to 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) and other business restructuring measures:

- CE Oltenia 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 company has spun-off 2 units totalling 300MW, respectively of the Craiova II Power Plant Branch. The new company, Electrocentrale Craiova SA, was established following the GSM in August 2022 approving the transaction, 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).
- CE Oltenia will create a distinct subsidiary ("the Lignite Subsidiary") which will comprise and operate the existing lignite power units and related assets that are not intended for transition to gas or renewables. As per the Restructuring Plan, the Lignite Subsidiary should be completed before the end of the restructuring period i.e. before the end of 2026. Such lignite capacities should decrease over time in line with national lignite phase-out calendar.

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 have been 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 2024, CE Oltenia received 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. During 2021 – 2023 the company received grants worth EUR 867 million (EUR 241 million in 2021, EUR 535 million in 2022 and EUR 91 million in 2023).

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 would 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. The Fund will analyse with the Company the legal and procedural aspects around the share capital process and once these are determined and agreed, the impact on the valuation of the holding will also be assessed and reflected accordingly. 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. The merger was approved during the GSM that took place on 19 August 2025. The impact of the merger in FP's stake is marginal - Fondul will maintain approximately 11.81% of the share capital of CE Oltenia.

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 process for the fourth park was finalised in February 2025.

The Restructuring Plan of CE Oltenia SA is only partially proceeding as scheduled, with significant delays in decommissioning coal-based production as well as in commissioning the new capacities. As a result, an update of the Restructuring Plan entailing delay in the closure of coal-fired power plants alongside with an updated commissioning schedule for the new capacities is being discussed with the European Commission.

Participation in share capital increases/ decreases

Potential share capital increase at CN Aeroporturi Bucuresti SA

On 8 July 2025, Ministry of Transport approved within a GSM, the Resolution no. 8/8 July 2025, to restart the valuation process for the share capital increase with the value of the lands at Baneasa Airport. The Fund challenged this GSM decision in court, before Ilfov Tribunal. As at the publication date of this report, the first hearing date has not yet been set.

Potential share capital increase at Administratia Porturilor Maritime SA

During the GSM of CN Administratia Porturilor Maritime SA held on 15 May 2025 the Ministry of Transport approved that the company procure external legal services to support a potential cash share capital increase of up to USD 99 million.

According to the GSM material, the capital increase would finance the full acquisition by CN Administratia Porturilor Maritime SA of ICS Danube Logistic SRL, the administrator of Giurgiulesti Port in Republic of Moldova, as well as potential future investments in the target.

During 19 June 2025 GSM the Ministry of Transport approved to submit a binding offer for the potential purchase of ICS Danube Logistics SRL. Until the publication date of this report, there have

been no further GSM decisions taken regarding either to finalise the purchase of ICS Danube Logistic SRL or its potential financing through a share capital increase.

Regulatory updates for portfolio companies

GEO no. 156/2024 regarding fiscal-budgetary measures in the field of public expenditures and GEO no. 21/2025 amending Law no. 227/2015 regarding the Fiscal Code

According to GEO no. 156/2024 companies were obliged to pay, under certain conditions, a 1% construction tax on the value of the constructions existing in the taxpayers' patrimony on 31 December of the previous year, from which the value of the buildings for which the building tax is due is deducted, according to the provisions of Title IX of the Fiscal Code.

In the case of constructions of the public/ private domain of the state or of the administrative-territorial units, the tax is due by the taxpayers who have them in administration/ concession/ use free of charge/ rental.

As part of the 2024 annual IFRS financial statements preparation process, the Fund has received information from portfolio companies and has analysed the impact on valuation of the newly introduced tax on constructions, which was also reflected in the valuation of the portfolio companies.

Through GEO no. 21/2025 published in the Official Gazette of Romania on 4 April 2025, the Government amended regulatory provisions regarding the annual construction tax introduced starting with year 2025 through GEO no. 156/ 2024 on constructions other than those subject to the provisions of Title IX of the Fiscal Code.

Through the amended regulation the tax rate on such constructions existing in the taxpayers' patrimony was reduced from 1% to 0.5%, applied to the net value of the constructions.

In case of constructions under management, concession, or lease contracts that belong to the public or private domain, the rate was reduced from 1% to 0.25% applied on the value of the constructions outlined in the management, concession or lease contracts. Also, constructions located in Romania's territorial sea have been exempted from taxation.

Government Ordinance no. 10/2025

On 4 February 2025, GO no. 10/2025 entered into force, modifying Art 65(3¹) of Law no. 162/2017, introducing the provision that experience of at least 3 years as a member of audit committees established within the boards of directors or supervisory boards of public interest entities/ companies is also recognised for meeting the legal requirements in respect of membership of audit committees of the companies.

Portfolio companies must comply with the legal requirements regarding the composition of the audit committee included in Law no. 162/2017 by 30 September 2025 or, as the case may be, until the termination or extension by any means permitted by law of any mandate in the audit committee.

GEO no. 22/2025 amending GEO no. 109/2011 regarding the corporate governance in state-owned companies

Through GEO no. 22/2025, published in the Official Gazette of Romania on 8 April 2025, the Government further amended the corporate governance framework applicable to state-owned companies.

Among the changes, the new regulation clarifies the right of minority shareholders to propose and appoint board members through the application of the cumulative vote. As such, GEO no. 22/2025 stipulates that candidates proposed by minority shareholders under the conditions of applying the cumulative voting method for the election of members of the board of directors or the supervisory board do not participate in the selection procedure organised by the tutelary public authorities.

At the same time, the candidates proposed by minority shareholder must observe the legal requirements in terms of education level and work experience. To this purpose, the Agency for the Monitoring and Evaluation of the Performance of Public Enterprises (“AMEPIP”) is in charge of verifying the fulfilment of the legal criteria by the candidates proposed by minority shareholders.

Top portfolio holdings

Name	Fund's stake (%)	Value as per 30 Jun 2025 NAV (RON mil)	% of NAV as at 30 Jun 2025
CN Aeroporturi Bucuresti SA	20.0%	1,063.3	50.0%
CN Administratia Porturilor Maritime SA	20.0%	358.2	16.9%
Societatea Nationala a Sarii SA	49.0%	260.6	12.3%
Top equity holdings		1,682.1	79.1%
Total equity holdings		1,886.3	88.7%
Net cash and receivables		239.3	11.3%
Total NAV		2,125.6	100.0%

Source: internal records of the Fund

CN Aeroporturi Bucuresti SA

Financial and operational results

RON million	2023	2024	%	H1 2024	H1 2025	%	Budget 2024	Budget 2025	%
Operating revenue	1,206.8	1,434.2	+18.8%	613.1	764.8	+24.7%	1,310.3	1,558.4	+18.9%
Operating profit	499.7	663.8	+32.8%	302.5	392.4	+29.7%	470.9	635.2	+34.9%
Net profit	453.3	608.8	+34.3%	270.6	353.5	+30.6%	408.7	541.8	+32.6%
Dividends	401.8	515.1	+28.2%	-	-	-	211.1	501.2	+137.4%

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

Traffic continued to rise by a steady 9% y.o.y in H1 2025, reaching 8.05 million passengers. This trend was the main positive driver for the improved operational profitability, which was up by 29.7% y.o.y to RON 392.4 million. For 2025, the management envisages a 5% increase in traffic, to 16.8 million passengers, which could translate in an 8% y.o.y improvement in operating revenues.

Corporate governance

Board members were appointed in July 2024 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. The litigation regarding the annulment of the GSM resolution will be judged on the merits, and the next hearing is set for 29 October 2025.

At the same time, the board of the company is running an active process for the selection of the CEO and CFO positions. The latest recruitment announcement for the two positions was published at the beginning of June 2025.

ESG

CN Aeroporturi Bucuresti SA has issued its first sustainability report that was approved by shareholders together with 2024 financial statements, in May 2025. The report is published on the company's website www.bucharestairports.ro.

CN Administratia Porturilor Maritime SA

Financial and operational results

RON million	2023	2024	%	H1 2024	H1 2025	%	Budget 2024	Budget 2025	%
Operating revenue	571.2	522.0	-8.6%	268.4	238.8	-11.0%	577.7	491.6	-14.9%
Operating profit	195.9	242.7	+23.9%	227.5	76.2	-66.5%	139.7	81.4	-41.7%
Net profit	195.4	256.3	+31.2%	231.6	87.5	-62.2%	143.1	101.5	-29.1%
Dividends	-	-	-	-	-	-	35.9	26.3	-26.7%

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

Traffic reached 31.1 million tons in H1 2025, 23% lower y.o.y, in the context of a continued drop of volumes linked to Ukraine. Operating profitability dropped significantly y.o.y., but after adjusting for the one-off reversal of provision from H1 2024 (RON 112.9 million), the operating profit declined by 33.5% y.o.y. H1 2025 net profit stands at RON 87.5 million vs. RON 101.5 million budgeted for the full year.

Corporate governance

All Board members have interim mandates. The selection process for full 4-year Board mandates has started, and it is expected to be finalised in the coming months.

ESG

CN Administratia Porturilor Maritime SA has issued its first sustainability report that was approved by shareholders together with 2024 financial statements, in May 2025.

Societatea Nationala a Sarii SA

Financial results

RON million	2023	2024	%	H1 2024	H1 2025	%	Budget 2024	Budget 2025	%
Operating revenue	517.1	486.7	-5.9%	241.7	236.2	-2.3%	592.2	508.3	-14.2%
Operating profit	140.8	119.2	-15.3%	66.1	12.9	-80.5%	144.7	84.6	-41.5%
Net profit	130.6	111.3	-14.8%	61.4	15.6	-74.6%	130.0	77.4	-40.5%
Dividends	130.1	106.1	-23.3%	-	-	-	130.0	77.4	-40.5%

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

During the first 6 months of the year, Salrom registered operating revenues of RON 236.2 million, down 2.3% y.o.y. However, due to primarily the registration as expenses of the loss of long-term assets and inventory due to the floodings at Praid Salt mine, net profit declined to RON 15.6 million in H1 2025 down from RON 61.4 million during H1 2024. Based on the provisions of Government Decision no. 530/2025 and Order 1433/ 13 June 2025 approved by the Ministry of Economy,

Digitalization, Entrepreneurship and Tourism the company could have recourse to State Aid for some of the losses it suffered.

Flooding of Praid Salt Mine

In early May 2025, the intense precipitations in Harghita County led to significant water infiltration into Praid Salt Mine's underground galleries. Salrom made the immediate decision to suspend all mining and tourist activities starting 5 May. In response to the emergency, the company mobilised its technical teams and coordinated closely with local and regional authorities. Together, they implemented a series of urgent interventions aimed at mitigating the effects of the flooding. These included the construction of drainage systems, and the redirection of surface water flows to reduce hydrostatic pressure on the affected areas.

In June 2025 Salrom informed its shareholders that on 29 June 2025 the dam built underground by Salrom employees gave away under the pressure of water that entered beneath it. The Telegy mining sector could not be saved from water intrusion. The underground salt stocks were compromised, and the equipment and machinery can no longer be recovered.

Following the flooding of the Praid Salt Mine, both mining operations and tourist activities have ceased.

Corporate Governance

On 22 July 2025, Ms. Simona Ochian and Mr. Valeriu Ionita resigned from their position of board members. As at the date of this report, only three out of the five positions on the Board of Directors are filled.

ESG

Starting 2024, Societatea Nationala a Sarii reports on ESG matters in accordance with the standards set by Order no. 85/2024. The company previously reported on environmental and social responsibility issues in its non-financial annual report, in accordance with GRI Standards. The reports are published on its website www.salrom.ro.

Corporate Strategy

Distributions to shareholders

Annual Cash Distribution Policy

Fondul Proprietatea adopted the Annual Cash Distribution Policy, which sets 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.

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

Annual dividend distribution from 2024 profit

The Sole Director proposed the distribution of a special gross dividend of RON 0.0409 per share, with Payment date 19 June 2025, Ex-date on 27 May 2025 and Registration date on 28 May 2025, that was approved by shareholders during the 29 April 2025 Annual GSM. Until 30 June 2025 the shareholders collected 87% of the total dividend distribution.

Buy-back programmes

Overview of share buy-back programmes

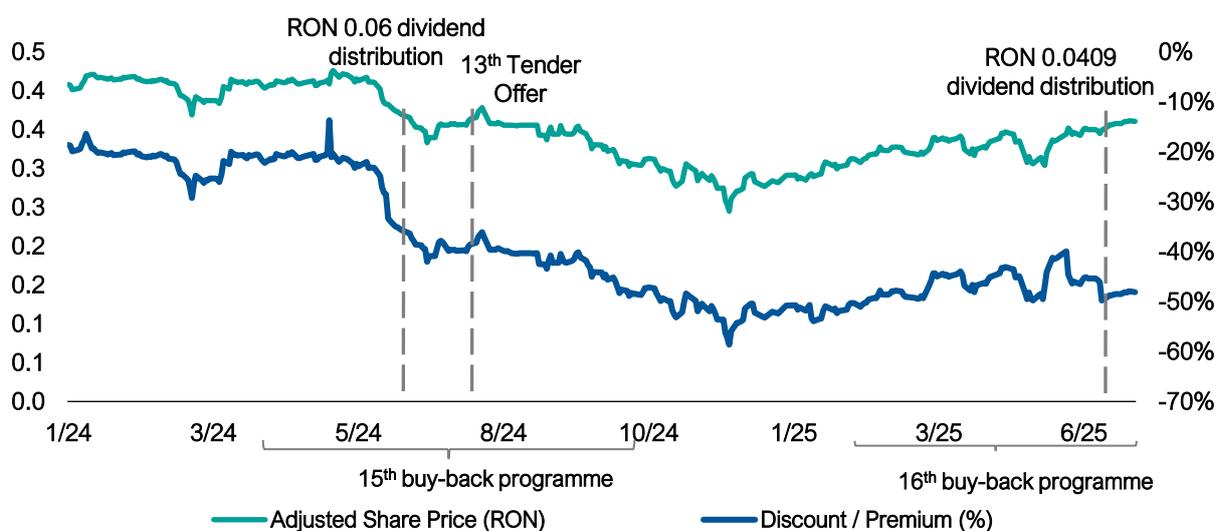
Progr.	Period	No. of shares (mil)	Tender offer	Status
1	May – Sep 2011	240.3	N/A	Completed
2	Apr – Dec 2013	1,100.9	Oct – Nov 2013	Completed
3	Mar – Jul 2014	252.9	N/A	Completed
4	Oct 2014 – Feb 2015	990.8	Nov – Dec 2014	Completed
5	Feb – Jul 2015	227.5	N/A	Completed
6	Sep 2015 – Sep 2016	891.7	Aug – 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	355.6	Jul – Sep 2024	Completed ¹
16	Jan – Dec 2025	153.6	Ongoing ²	Ongoing
Total		10,731.0		

Source: Fondul Proprietatea internal records

1. The cancellation of the Buy-back programme no. 15 shares was approved during 2 December 2024 GSM and it was finalised on 13 August 2025 – for more details please see section *Subsequent events*.

2. On 28 July 2025, the Sole Director submitted to the FSA an application for the approval of a tender offer in relation to the Buy-back programme no. 16 – for more details 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.

The table below shows a summary of the buy-back programmes during H1 2025:

Progr.	Description	No of shares	Equivalent shares of GDRs	Total no of shares	% issued share capital ²
	Balance at 1 Jan 2025	355,642,723	-	355,642,723	
15 th	Acquisitions	-	-	-	
	Conversions	-	-	-	
	Cancellations	-	-	-	
	Balance at 30 Jun 2025	355,642,723	-	355,642,723	10.0%
	Weighted average price ³	RON 0.6074	USD 6.9758	RON 0.6083	
	Balance at 1 Jan 2025	-	-	-	
16 th	Acquisitions	153,183,664	447,000	153,630,664	
	Conversions	447,000	(447,000)	-	
	Cancellations	-	-	-	
	Balance at 30 Jun 2025	153,630,664	-	153,630,664	4.3%
	Weighted average price ³	RON 0.3597	USD 3.9224	RON 0.3596	
All	Total balance at 30 Jun 2025	509,273,387	-	509,273,387	14.3%

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 reporting date.
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 June 2025 is 509,273,387, having a total nominal value of RON 264,822,161.24 (RON 0.52 per share).

The 15th buy-back programme (implemented during 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. Following the amendments brought by GEO no. 71/2024 to Article 29 paragraph (4) of Law no. 243/2019, the maximum number of shares the Fund was allowed to repurchase during 2024 within the 15th buy-back programme was reduced to 355,642,723 shares (10% of the Fund's share capital).

The implementation of this buyback programme was done exclusively from own sources. Auerbach Grayson and Swiss Capital provided brokerage services for the 2024 buyback programme.

First trade took place on 15 April 2024 on both BVB and LSE. The final trade took place on 8 October 2024, when the regulatory limit of 10% of the Fund's share capital, as per was reached. The 15th buy-back programme was carried out through daily transactions on BVB and LSE and a Tender Offer for 269 million shares finalised in September 2024.

During 2 December 2024 GSM the shareholders approved the cancellation of the shares acquired within the 15th buy-back programme and this was finalised on 13 August 2025 – for more details please see section *Subsequent events*.

The 16th buy-back programme (under implementation during 2025)

The 16th buy-back programme for 320 million shares to be implemented during 2025 at a price between RON 0.2 per share and RON 1.0 per share was approved by shareholders during the 2 December 2024 GSM.

The shares repurchased within 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 2025 buyback programme.

The Fund is allowed to buy back 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. The first trade took place on 3 February 2025 on BVB.

On 28 July 2025, the Sole Director submitted to the FSA an application for the approval of a tender offer in relation to the Buy-back programme no. 16 – for more details please see section *Subsequent events*.

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

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

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

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

Article 75 from Norm no. 39/2015 mentions that the negative balance arising on the cancellation of equity instruments may be covered from the retained earnings and other equity elements, in accordance with the resolution of the GSM.

As at 30 June 2025, the Fund's equity elements that could be used to cover the negative reserve are sufficient and include retained earnings, reserves 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 29 April 2025 Annual GSM, the shareholders approved the coverage of the negative reserves in amount of RON 774,756,258 related to the cancellation of the shares acquired within the 14th buy-back programme using various net elements of retained earnings and 2024 audited profit.

The table below shows the movement of the negative reserves during the six-month period ended 30 June 2025:

Movement in negative reserve	All amounts in RON
Opening balance of the negative reserve as at 1 January 2025 (audited)	(774,756,258)
Coverage of negative reserves - OGM Resolution no. 4/ 29 Apr 2025	689,417,798
Coverage of negative reserves - OGM Resolution no. 5/ 29 Apr 2025	85,338,460
Closing balance of the negative reserve at 30 June 2025 (unaudited)	-

Source: Sole Director calculations

The table below shows additional details on the estimated negative/ positive reserve that will arise upon the cancellation of the treasury shares in balance as at 30 June 2025:

Negative reserves to arise on cancellation of the treasury shares in balance as at 30 Jun 2025		Buy-back programme no. 15	Buy-back programme no. 16
Number of shares to be cancelled	(1)	355,642,723	153,630,664
Total costs (including transaction costs and other costs), representing the accounting value of the shares to be cancelled in the future (RON)	(2)	223,287,982	56,352,094
Correspondent nominal value (NV = RON 0.52 per share) (RON)	(3)=(1)*NV	184,934,216	79,887,945
Estimated (negative)/ positive reserve to be booked on cancellation (RON)	(4)=(3)-(2)	(38,353,766)	23,535,851

Source: Sole Director calculations

During 2 December 2024 GSM the shareholders approved the cancellation of the 355,642,723 treasury shares repurchased within the 15th buy-back programme. The negative reserve in amount of RON 38,353,766 (please see table above) corresponding to the treasury shares repurchased within the 15th buy-back programme was recorded at the date when the share cancellation was completed, i.e. on 13 August 2025.

During the 29 April 2025 Annual GSM, the shareholders also approved the set-up of a dedicated reserve, mainly from retained earnings, in amount of RON 38,353,766, to be used in the future for the coverage of this negative reserve.

Similarly, the estimated intermediary positive reserve in respect of the shares acquired within the 16th buy-back programme during the six-month period ended 30 June 2025 is of RON 23,535,851. However, the final amount of negative/ positive reserve for the 16th buy-back programme will be calculated after the end of the programme, at share cancellation date. The Sole Director will propose the implementation of the relevant corresponding measures in respect of the negative/ positive reserve as reflected in the annual audited financial statements of the Fund during a subsequent GSM.

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	H1 2025	H1 2024	YE 2024
Total shareholders' equity at the end of the period (RON million)		2,125.6	2,312.4	2,162.1
Total shareholders' equity change in period (%)		-1.7%	-1.3%	-7.7%
Total NAV at the end of the period (RON million)	a	2,125.6	2,312.4	2,250.0
Total NAV change in period (%)		-5.5%	-1.6%	-4.3%
NAV per share at the end of the period (RON)	a	0.6975	0.6622	0.7029
NAV per share (RON) change in the period (%)		-0.8%	+0.2%	+6.4%
NAV per share total return in the period (%)	e	5.6%	+10.3%	+17.0%
Share price as at the end of the period (RON)	b	0.3605	0.3950	0.3150
Share price low in the period (RON)	b	0.319	0.3950	0.2740
Share price high in the period (RON)	b	0.388	0.5330	0.5330
Share price change in the period (%)		14.4%	-24.5%	-39.8%
Share price total return in the period (%)	f	27.6%	-14.9%	-32.1%
Share price discount to NAV as at the end of the period (%)	d	-48.3%	-40.4%	-55.2%
Average share price discount in the period (%)	d	-47.6%	-22.9%	-34.2%
Average daily share turnover in the period (RON million)	c, g	1.3	2.2	3.5

Source: BVB, 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 H1 2025/ H1 2024/ FY 2024, respectively

Notes:

- Prepared based on local rules issued by the capital market regulator
- Source: BVB - REGS market - Closing prices
- Source: BVB
- Share 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 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 and includes both the days with premium and with discount.
- 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
- 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
- Including the tender offer finalised by the Fund in September 2024

Evolution of net liquid assets

The table below shows the change in net liquid assets of the Fund as a percentage of the NAV.

RON million	30 Jun 2025	31 Mar 2025	31 Dec 2024
Current accounts ¹	280.2	271.2	285.5
Bank deposits	102.8	259.4	273.7
Dividend receivables	155.2	-	-
Total liabilities	(299.0)	(279.1)	(291.2)
Liquid assets less liabilities	239.2	251.5	268.0
Net Assets Value	2,125.6	2,148.4	2,250.0
% Liquid assets less liabilities in NAV	11.3%	11.7%	11.9%

Source: Fund Manager calculations

1. Current accounts include also the cash blocked for distributions to shareholders

The liquid assets decreased at the end of the first quarter mainly as a result of the cash outflows for the 16th buy-back programme, started in February 2025.

The most important decrease in liquid assets during the second quarter relates to the dividend distribution of RON 0.0409 per share with Payment date 19 June 2025 and the daily buybacks within the 16th buy-back programme, which were partially netted off by the dividend receivables from portfolio companies (mainly CN Aeroporturi Bucuresti SA and Societatea Nationala a Sarii SA).

Cost ratios of the Fund

The Fund elected to use Ongoing Charge Ratio and Total Expense Ratio as alternative performance measures because applying industry standards to the calculation of expense charges creates consistent and comparable data across the sector.

The **Ongoing Charge Ratio** of the Fund represents the annual percentage impact in shareholder returns of the recurring operational expenses, and it is calculated as the total ongoing charges for the last 12 months divided by the average monthly net asset value of the Fund during the same period.

For the purpose of this calculation, expenses do not include foreign exchange losses, value of equity investments disposed of, impairment adjustments, fair value adjustments, expenses with provisions and income tax expenses.

Although the OCR figure is based on historical information, it provides shareholders with an indication of the likely level of costs that will be incurred in managing the Fund in the future.

The OCR of the Fund as at 30 June 2025 was 1.90% and including transaction related expenses this was 1.90% (30 June 2024: 1.39%; including transaction related expenses: 17.0% - due to inclusion of part of the costs with the listing of Hidroelectrica SA).

The **Total Expense Ratio** at 30 June 2025 represents the annualised expenses of the Fund based on the actual expenses incurred during the first six months of the year, divided by the period average NAV. Similarly to OCR, for the purpose of this calculation, expenses do not include foreign exchange losses, value of equity investments disposed of, impairment adjustments, fair value adjustments, expenses with provisions and income tax expenses.

The TER of the Fund as at 30 June 2025 was 1.59% and including transaction related expenses this was 1.59% (30 June 2024: 1.65%; including transaction related expenses: 1.65%).

The differences in TER and OCR values are as a result of the different calculation methods – TER is based on the expenses for the first six months of the year which are subsequently annualised, while OCR is based on the total actual expenses for the last 12 months to reporting date.

Both TER and OCR are lower at 30 June 2025 compared to 30 June 2024, mainly as a result of lower total administration fees due to FTIS in the first six months of 2025 compared to the same period in 2024 (both base fee and distribution fee).

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 six-month period ended 30 June 2025, 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 six-month period ended 30 June 2025. 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 semi-annual report and the condensed interim financial statements for the six-month period ended 30 June 2025 have not been audited or reviewed by the financial auditor of the Fund.

Statement of Financial Position

RON million	30 Jun 2025 Unaudited	31 Dec 2024 Audited	30 Jun 2025 vs. 31 Dec 2024 (%)
Cash and current accounts	0.05	0.2	-75.3%
Distributions bank accounts	280.2	285.2	-1.8%
Deposits with banks	102.8	273.7	-62.4%
Dividends receivable	155.2	-	+100.0%
Equity investments	1,886.4	1,893.7	-0.4%
Other assets	0.1	0.4	-74.0%
Total assets	2,424.7	2,453.2	-1.2%
Payable to shareholders	279.4	284.5	-1.8%
Other liabilities and provisions	19.7	6.6	>100%
Total liabilities	299.1	291.1	+2.7%
Total equity	2,125.6	2,162.1	-1.7%
Total liabilities and equity	2,424.7	2,453.2	-1.2%

Source: IFRS financial statements of the Fund

The **liquid assets** of the Fund at 30 June 2025 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 H1 2025 were related to the interest received (RON 11.3 million), while the most significant **cash outflows** were related to net dividends paid (RON 115.5 million), the acquisition of treasury shares within the 16th buyback programme (RON 54.2 million) and Sole Director administration fee payments (RON 7.6 million).

The **Dividend receivables** at 30 June 2025 are mostly related to the amounts recorded from CN Aeroporturi Bucuresti SA (RON 103.0 million) and Societatea Nationala a Sarii SA (RON 52.0 million).

The net decrease in **Equity investments** of RON 7.3 million during H1 2025 was mainly generated by the valuation update at 30 June 2025 (mainly Societatea Nationala a Sarii SA – decrease in fair value of RON 36.9 million, partially offset by CN Aeroporturi Bucuresti SA – increase in fair value of RON 29.4 million).

At 30 June 2025, **Payable to shareholders** caption comprised the dividends payable to shareholders, out of which the most significant amounts are related to the 29 September 2023

special dividend distribution (RON 228.0 million). At the same date the **Other liabilities and provisions** caption mainly comprises the withholding tax on dividends due to state budget (RON 10.0 million) and Q2 2025 fees payable to the Sole Director (RON 6.7 million).

Statement of Comprehensive Income

RON million	6-month ended 30 June 2025 Unaudited	6-month ended 30 June 2024 Unaudited
Gross dividend income	155.4	145.3
Net (loss)/gain from equity investments at fair value through profit or loss	(7.4)	66.9
Interest income	11.2	19.5
Other (expenses) /income, net ¹	(0.1)	1.0
Net operating income	159.1	232.7
Administration fees recognised in profit or loss	(9.7)	(11.5)
Other operating expenses	(8.3)	(7.4)
Operating expenses	(18.0)	(18.9)
Profit before income tax	141.1	213.8
Income tax expense	(0.5)	(0.9)
Profit for the period	140.6	212.9
Other comprehensive income	-	-
Total comprehensive income for the period	140.6	212.9

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) 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 103.0 million) and Societatea Nationala a Sarii SA (RON 52.0 million).

The **loss from equity investments at fair value through profit or loss** during H1 2025 was mainly generated by the valuation update at 30 June 2025 for the largest unlisted holdings in the Fund's portfolio, mainly CN Aeroporturi Bucuresti SA (increase of RON 29.4 million) and Societatea Nationala a Sarii SA (decrease of RON 36.9 million).

Interest income in H1 2025 mainly arose from short term deposits and distribution bank accounts held with banks.

The **total income tax** recorded by the Fund for H1 2025 amounts to RON 0.8 million and includes amounts booked both in profit or loss (RON 0.5 million) and in equity - as a result of the transfer to retained earnings of uncollected dividend distributions' balance, for which the statute of limitation occurred (RON 0.3 million).

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

RON million	6-month ended 30 June 2025 Unaudited	6-month ended 30 June 2024 Unaudited
Recognised in profit or loss	9.7	11.5
Base fee	7.5	7.8
Distribution fee for dividends	2.2	3.7
Recognised in other comprehensive income	0.9	0.5
Distribution fee for buy-back programmes	0.9	0.5
Total administration fees	10.6	12.0

Source: IFRS financial statements of the Fund

The decrease in **base fee** during H1 2025 compared to H1 2024 is mainly due to the lower market capitalisation of the Fund influenced by the lower market price and reduced number of shares following the buy-back programmes performed.

The **distribution fee for dividends** is lower in H1 2025 compared to H1 2024 as a result of the lower total gross dividends distributed.

Other operating expenses

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

RON million	6-month ended 30 June 2025 Unaudited	6-month ended 30 June 2024 Unaudited
Legal assistance and litigation representation	1.8	1.8
Fund Manager selection expenses	1.5	-
BON remunerations and other related expenses	1.2	1.2
FSA monthly fees	1.0	1.1
Financial auditor's fees	0.6	0.7
Regulatory and compliance expenses	0.3	0.4
GSM organisation	0.3	0.4
Portfolio valuation services	0.2	0.3
Tax compliance and tax advisory	0.3	0.3
PR expenses	0.2	0.3
Other operating expenses	0.9	0.9
Total other operating expenses	8.3	7.4

Source: IFRS financial statements of the Fund

The Fund Manager selection expenses include financial advisory services, legal advisory services, travel and accommodation and other consultancy services, in line with shareholders' approval during 27 September 2024 GSM and 29 April 2025 GSM.

Statement of Cashflows

RON million	6-month ended 30 June 2025 Unaudited	6-month ended 30 June 2024 Unaudited
Cash flows from operating activities		
Interest received	11.3	26.2
Dividends received (net of withholding tax)	0.2	1.0
Proceeds from disposal of equity investments	-	432.6
Sole Director administration fees	(7.6)	(21.3)
Suppliers and other taxes and fees paid	(7.4)	(9.5)
Dividend withholding tax payments performed	(1.0)	(44.1)
Income tax paid	(1.0)	(0.4)
Other payments performed/ amounts received, net	(0.9)	(0.5)
Net cash flows (used in)/ from operating activities	(6.4)	384.0
Cash flows from financing activities		
Amounts related to distributions for which the statute of limitations has occurred	6.5	-
Dividends transferred corresponding to shareholders having specific legal status	0.0	(0.8)
Transfer to distribution accounts	(116.9)	(195.5)
Acquisition cost of treasury shares	(54.2)	(27.9)
Net cash flows used in financing activities	(164.6)	(224.2)
Net (decrease)/ increase in cash and cash equivalents	(171.0)	159.8
Cash and cash equivalents at the beginning of the period	273.8	191.3
Cash and cash equivalents at the end of the period	102.8	351.1
Cash and cash equivalents		
Cash and current accounts	0.1	0.1
Bank deposits with original maturities of less than three months	102.7	351.0
Cash and cash equivalents at the end of the period	102.8	351.1
Distributions bank accounts ¹	279.3	448.5

Source: IFRS financial statements of the Fund

1. 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, i.e. shareholders may request payments only within a 3-year term starting with the distribution payment date, except for specific instances that are individually assessed. It is the Fund's assessment that 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 general 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.

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*.

Risks and Uncertainties

The following section presents details of the main risks and uncertainties that might affect the activity of the Fund and its liquidity during the next six months:

Description of risk	Mitigating action
<p>Market risk</p> <p>Changes in market prices and rates, such as security prices, changes in interest rates or foreign exchange rates will affect the Fund's income or the value of its holdings.</p>	<p>The Fund implements market risk management techniques to manage and control market risk exposures, keeping them within acceptable levels, while optimising returns. The AIFM has an ongoing risk management framework in compliance with requirements of the AIFM Directive.</p>
<p>Security price risk and valuation risk</p> <p>Fluctuations in the value of a security instrument as a result of changes in market prices, whether caused by factors specific to the issuer or factors affecting all instruments traded in the market, can negatively affect the Fund's income or value of its holdings.</p> <p>Securities without a readily available market price, such as the Fund's unlisted holdings, are exposed to uncertainties coming from the valuation of the securities prices, from factors such as the choice of valuation model, parameter uncertainty and timeliness of parameter estimates.</p>	<p>Diversification across securities and industries is the primary technique for mitigating equity price risk. All potential investments undergo a thorough due diligence process. Portfolio management reviews the risk/ return profiles of portfolio assets on a regular basis. A detailed pricing policy ensures adequate valuation of the unlisted holdings. Valuations performed by the external service providers are reviewed by Franklin Templeton's Fair Valuation Committee.</p>
<p>Dilution risk</p> <p>Share capital changes in state owned companies where the Fund holds a minority position can result in a reduced valuation, legal action, and loss for the Fund.</p>	<p>Dilution risk based on unjustified economic inputs can be detrimental to a company's value. Where it is quantifiable, dilution risk is therefore considered in the companies' valuations. The portfolio management team, investor relations and legal teams are actively involved in all corporate actions involving the Fund's holdings. Fundamental analysis, investor communication and legal action are used to solidify the Fund's position. External legal and third-party counsel is used where beneficial.</p>
<p>Sector concentration risk</p> <p>Large portfolio exposure to a specific industry sector or group of companies expose the Fund to concentration risk and can cause overall Fund performance to be negatively affected by the performance of a specific sector.</p>	<p>Diversification and concentration limits are set and monitored periodically. The companies in which the Fund holds equity instruments operate in different industries. Regular review is performed assessing sector by sector risk and return contribution.</p>
<p>Corporate governance risk</p> <p>Poorly managed companies in the Fund's portfolio can negatively affect the Fund's performance due to missing professional skills and missing experience in the industry the company operates in.</p>	<p>The portfolio management team is actively involved with portfolio companies, promoting and enhancing high standards of good corporate governance.</p>

Description of risk	Mitigating action
<p>People Risk</p> <p>The ability of the Fund to achieve its objectives is dependent upon the expertise of the Fund Manager and its ability to attract and retain suitable staff.</p>	<p>Fund management and the Board of Nominees ensure that the principal members of the management team are suitably incentivised, participate in strategic leader programmes and monitor key succession planning metrics. The Board discusses this risk regularly with the Sole Director.</p>
<p>Share price discount to NAV risk</p> <p>Shares of the Fund are traded on the Bucharest Stock Exchange. Market participants expectations may cause the shares of the Fund to trade at a premium or discount to the NAV per share of the Fund. Investor returns may be positively or negatively affected by such market factors.</p>	<p>The Fund has implemented several measures to reduce the discount to NAV, including an attractive dividend yield, ongoing buy-back programs as well as transparency, disclosure, and proactive investor relation efforts. A discount objective and related DCM are part of the IPS.</p>
<p>Credit and Counterparty risk</p> <p>There is a risk of financial loss to the Fund if counterparties to financial instruments fail to meet their contractual obligations; it arises principally from cash and deposits with banks, treasury bills, government bonds and other receivables.</p>	<p>Cash and short-term money market instruments are diversified across counterparties. An internal Credit Counterparty Committee oversees the selection and approval of authorised counterparties. The committee meets periodically and reviews current exposure, credit limits and ratings for counterparties. The committee has the power to assign a counterparty to a “watch list” or “restricted list” thereby limiting or preventing further trades with it.</p>
<p>Liquidity risk</p> <p>The Fund might not be able to meet its financial obligations as they fall due.</p> <p>The Fund’s equity investments include unlisted instruments issued by companies domiciled in Romania, which are not traded on a regulated market and generally may be considered illiquid. As a result, the Fund may not be able to sell certain investments within the time constraints imposed by its own liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of a particular issuer.</p>	<p>As a closed end investment fund, liquidity risk of the Fund is less significant than for an open-end fund, as shareholders do not have the option to redeem their holdings.</p> <p>The Fund’s approach to managing liquidity is to ensure that it has sufficient liquid assets to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund’s reputation. The Fund’s assets are periodically monitored for their liquidity levels under both normal and stressed market conditions.</p>
<p>Operational and cyber risk</p> <p>The Fund might incur direct or indirect loss arising from a wide variety of causes associated with the Fund’s processes, service providers, technology, and infrastructure, and from external factors such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Failure or breach of information technology systems and security may entail risk of financial loss, disruption to operations or damage to</p>	<p>The Fund’s objective in managing operational risk is to maintain a proper balance between limitation of financial losses and damage to the Fund’s reputation with the overall cost effectiveness, avoiding control procedures that restrict initiative and creativity. The Fund has in place an operational monitoring system, documented through policies and procedures, which ensures escalation and remediation of potential operational issues. The information technology framework is designed to mitigate the risk of a cyber security breach. A dedicated Cyber Security</p>

Description of risk	Mitigating action
<p>the reputation of the Fund. Operational risks arise from all the Fund's operations.</p>	<p>Program aims to monitor, identify, and respond to cyber-attacks and external threats. The operational monitoring system covers all teams involved with the operations of the Fund.</p>
<p>Legal and regulatory risk</p>	
<p>The existence, operation and the initial set-up of the Fund are regulated by local and European regulations. Such regulations may be subject to change or subject of some local interpretations and may directly affect the Fund and its shareholders. This risk is sustained by the legislative history of the past years that reveals a series of laws which have also changed the Fund's portfolio composition and/or limited portfolio management's ability to pursue desired investments.</p>	<p>Representatives of the Fund consult with external agencies and law firms with the aim to anticipate potential regulatory changes and interpretations and assess their impact on the Fund. In doing so the Fund strives to optimise its operational efficiency under current and upcoming regulations. Franklin Templeton has internal policies promoting compliance with best practices and regulations.</p>
<p>Uncertainties and risks about the future strategy of Fondul</p>	
<p>During 25 September 2023 GSM, the shareholders approved that the Board of Nominees should launch a transparent and competitive selection procedure for the appointment of a new AIFM.</p> <p>On 7 October 2024, the BoN of Fondul Proprietatea announced the commencement of the selection process based on the selection criteria approved by shareholders during 27 September 2024 GSM.</p> <p>On 2 May 2025 the BoN announced that it has selected a preferred candidate, being IRE AIFM HUB S.à R.L., a Luxembourg-based AIFM in partnership with Impetum Management SRL, a Romanian asset management advisory firm.</p> <p>On 13 August 2025, the 29/30 September 2025 GSM of the Fund was convened, including several options regarding the future AIFM of the Fund – for more details, please see section <i>Subsequent events</i>.</p> <p>A new strategy may be significantly different compared to the terms and conditions under which FTIS is currently managing Fondul.</p>	<p>The Board of Nominees manages the selection process and issues information to shareholders. All the information made available to FTIS (including questions received from shareholders) is published on Fondul website.</p> <p>On 29 November 2024, the Sole Director of the Fund announced that it will not submit a response to the Request for Proposal in the ongoing selection process for the Fund's AIFM.</p> <p>FTIS remains committed to the management of the Fund until the end of its mandate.</p>

Source: Fondul Proprietatea

Subsequent Events

Amendment of the fiscal legislation

The Law no. 141/2025 concerning certain fiscal-budgetary measures was published in the Official Gazette of Romania no. 699/ 25 July 2025. The main provisions impacting the Fund are presented below.

Dividend withholding tax

Starting from 1 January 2026 the standard dividend withholding tax rate has been increased from 10% to 16%. That means that if the Fund receives dividends in 2026 from a portfolio company which does not benefit from the holding exemption (the Fund needs to hold more than 10% of the share capital of the dividend paying entity for at least 1 year to benefit from this exemption), the dividends will be subject to a 16% withholding tax.

Moreover, starting 1 January 2026, the standard withholding tax rate applicable for dividend distributions of the Fund to its shareholders is 16%. Where applicable, the Sole Director of the Fund analyses the specific documentation received from shareholders in accordance with the General Dividend Payment Procedure to assess if a more favourable rate is applicable.

Value added tax

Starting from 1 August 2025, standard VAT rate increased from 19% to 21%. As the Fund cannot recover any input VAT, the increase in VAT rate will generate an increase of the Fund's expenses.

Tender Offer within the 16th Buy-back programme

On 28 July 2025, the Sole Director of the Fund informed shareholders that an application for the approval of a tender offer for cash of its own shares in relation to the 16th Buy-back programme was submitted to the FSA. Under this tender offer, the Fund intended to repurchase from its shareholders up to 120 million shares.

The Fund engaged Swiss Capital SA together with Auerbach Grayson as agents and Swiss Capital SA as intermediary in relation to the tender offer.

On 7 August 2025, the Sole Director of the Fund informed shareholders that, following the request to convene the OGM of the Fund received on 1 August 2025 from a number of shareholders with one of the points on the agenda being the approval the distribution of dividends totalling RON 37,200,000, has filed with the FSA on the same day the amendment to the offer documentation, reducing the number of shares that the Fund intends to repurchase up to 80 million shares.

The full details of the offer, including the price, will be announced if and when the offer is implemented and if and when approval from the FSA is obtained.

Request to convene the OGM of Fondul Proprietatea SA

On 1 August 2025, FTIS received from a number of shareholders of the Fund who, according to their own assertion hold together a total of 5.27% of the Fund's share capital, a request to convene the OGM and supporting documentation, with the following agenda:

- Approval of the cancellation of the current manager selection process;

- Approval of the commencement of a new manager selection process by the BoN and inserting the condition that the proposed manager holds assets under management at least equal to the value of the Fund's assets;
- Approval of the preparation by the BoN of a detailed comparative report on the first three offers resulting from the new selection process, presentation of the report to the shareholders, and submission for their vote of the candidates corresponding to the first three selected offers;
- Approval of the distribution of dividends totalling RON 37,200,000 from Fund's unallocated reserves. Distribution proposed details: Date of registration: 4 November 2025/ Ex-date: 3 November 2025/ Payment date: 26 November 2025.

On 4 August 2025 FTIS informed investors that it has finalised the registration and validation of the convening request of the shareholders holding more than 5% of the Fund's share capital to convene the OGM and published the shareholders' request to convene the OGM – this can be found on the Fund's website, in the sections:

- *Investor Relations – Investor reports*
- *FAQs*
- *Press centre - News*

Updates regarding the Board of Nominees

Following Mrs. Ileana-Lacramioara Isarescu's resignation from her positions held within the Board of Nominees and the Nomination and Remuneration Committee of Fondul Proprietatea, which became effective on 5 August 2025, the Sole Director informed investors that, starting with 6 August 2025, the BoN composition is the following:

- Mrs. Ilinca von Derenthall – Chairperson of the BoN and member of the NRC
- Mr. Ciprian Ladunca – member of the BoN and Chairperson of the AVC
- Mr. Nicholas Paris – member of the BoN, Chairperson of the NRC and member of the AVC
- Mr. Marius-Alin Andries – member of the BoN and member of the AVC

The appointment of a new member of the BoN is on the agenda of the next OGM of the Fund, that will take place on 29 September 2025.

On 12 August 2025 the Sole Director informed the market about the BoN's decision to change the membership of the Fund's NRC starting with the same date, by appointing Mr. Alin-Marius Andries in the position previously held by Ms. Ileana-Lacramioara Isarescu. The membership of the Audit and Valuation Committee remains unchanged.

Disclosure of holding over 5% of the total voting rights in the Fund held by shareholders acting in concert for the convening of the OGM

On 12 August 2025 the Sole Director of the Fund announced that the shareholders acting in concert, signees of the request to convene the OGM of Fondul Proprietatea published on the Fund's webpage on 4 August 2025, have sent a disclosure of holding over 5% of the total voting rights held in the Fund. According to the disclosure dated 8 August 2025, the shareholders acting in concert for the convening of the OGM of the Fund, held, at 1 August 2025 a percentage of 6.146% of the total number of voting rights in Fondul Proprietatea at 1 August 2025 (i.e. 3,556,427,239).

Finalisation of the share capital decrease process

Through Authorisation no. 86/7 August 2025 the FSA authorised the decrease of the Fund's subscribed and paid-up share capital 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 during 2024 within the 15th buy-back programme, as approved by the Fund's EGM Resolution no. 9/ 2 December 2024.

The share capital decrease is effective starting with 13 August 2025, when the Trade Registry registered the EGM Resolution mentioned above. Consequently, starting 13 August 2025, the new value of the Fund's subscribed and paid-up share capital is RON 1,664,407,948.32, divided into 3,200,784,516 shares with a nominal value of RON 0.52 per share.

Convening of 29/30 September 2025 GSM

On 13 August 2025 the Sole Director of the Fund convened a GSM for 29/30 September 2025. 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*.

- **EGM agenda:** approval of various amendments to the Fund's Constitutive Act, in line with the new Corporate Governance Code of BVB and other regulatory requirements;
- **OGM point 1:** approval of the cancellation of the current AIFM and Sole Director selection process, launched following the OGM Resolution no. 9/ 25 September 2023
(item added on the agenda at the request of a shareholders' group holding more than 5% of the share capital);
- **OGM point 2:** approval of the commencement of a new process by the BoN for the selection of an AIFM and Sole Director of FP and inserting, among others, the selection condition that the proposed AIFM and Sole Director has assets under management at least equal to the value of the FP's assets ("New Selection Process")
(item added on the agenda at the request of a shareholders' group holding more than 5% of the share capital);
- **OGM point 3:** approval of mandating the BoN with the preparation of a detailed comparative report on the first 3 offers resulting from the New Selection Process, presentation of the report to the shareholders, and submission for their vote of the candidates corresponding to the first three selected offers
(item added on the agenda at the request of a shareholders' group holding more than 5% of the share capital);
- **OGM point 4:** approval of the distribution of dividends in gross aggregate amount equal to RON 37,200,000 from FP's 2024 unallocated retained earnings, meaning a gross dividend per share of RON 0.0122825494, with 3 November 2025 as the Ex – Date, 4 November 2025 as the Registration Date and 26 November 2025 as the Payment Date
(item added on the agenda at the request of a shareholders' group holding more than 5% of the share capital);
- **OGM point 5:** approval of, subject to items 1 and/ or 2 on OGM Agenda not being approved:
 - (i) the appointment of IRE AIFM HUB S.a R.L., a société à responsabilité limitée qualifying as an AIFM, being the candidate proposed by the BoN further to the selection procedure carried out based on the OGM Resolution no. 9/ 25 September 2023 (the "Candidate"), as Sole Director of Fondul Proprietatea that acts also as the AIFM of Fondul Proprietatea,

for a duration of 4 years starting with 1 April 2026 (provided that all the legal requirements related to the appointment of the new AIFM and sole director of Fondul Proprietatea are finalized by 31 March 2026, inclusive) and until 31 March 2030, inclusive; if appointed, the Candidate will perform its mandate under an advisory model, with Impetum Management S.R.L., a Romanian advisory firm, as the advisor to the Candidate for such purposes; under this model, the advisor, based on its local Romanian expertise, will provide support to the Candidate in connection with the portfolio management function, under an Advisory Agreement substantially in the form set out in the supporting documentation

- (ii) the objectives proposed for the new AIFM, as detailed in the convening notice
- (iii) the main remuneration conditions proposed for the new AIFM, as detailed in the convening notice
- (iv) the terms of, along with the execution of, the Management Agreement between Fondul Proprietatea and the Candidate, substantially in the form set out in the supporting documentation

(item added on the agenda at the request of the BoN, on the basis of the mandate granted following OGM Resolution no. 9/ 25 September 2023 for the selection of an AIFM and Sole Director of FP and representing the result of the aforementioned selection process, hereby finalised)

- **OGM point 6:** approval of the appointment of a new Sole Director of FP that will act as AIFM for a mandate of 4 years starting with 1 April 2026 and until 31 March 2030. The approval of this item on the OGM agenda leads to the cancellation of the current AIFM and Sole Director selection process, launched following the OGM Resolution no. 9/ 25 September 2023. The BoN is empowered (i) to negotiate the draft of the management agreement which shall be subject to the approval by the OGM; and (ii) to implement all relevant formalities for authorising and finalising the appointment. Voting on this item on the agenda is subject to receipt of qualifying candidate proposals from any shareholder of Fondul Proprietatea;
- **OGM point 7:** approval of the renewal of the mandate of FTIS as Sole Director of Fondul Proprietatea that acts also as the AIFM of Fondul Proprietatea, starting with 1 April 2026 (the “New Mandate”), subject to neither point 5, nor point 6 of the OGM agenda being approved by the OGM. The renewal of the mandate of FTIS is conditional upon FTIS and Fondul Proprietatea executing a management agreement covering the New Mandate before 1 April 2026. BoN is authorised to negotiate the duration of the mandate, the commercial terms, and the draft of the management agreement prior to the convening of the GSM for the approval of the new management agreement.

(item included on the agenda by the Sole Director in accordance with Article 19 (3) of the Fund's Constitutive Act)

- **OGM point 8:** appointment for a period of 3 years of one member of the BoN of Fondul Proprietatea following the resignation of Mrs. Ileana-Lacramioara Isarescu;
- **OGM point 9:** appointment of Ernst & Young Assurance Services SRL as the financial auditor of Fondul Proprietatea for the financial years ended 31 December 2026, 31 December 2027 and 31 December 2028 and setting the maximum level of its remuneration for the financial audit services described above at the level (without VAT) of EUR 130,295 per year plus the inflation adjustment. The inflation adjustment would be added to the services pricing based on the Harmonized Index of Consumer Prices (HICP), published on Eurostat website. The inflation adjustment mechanism will be detailed in the contractual agreement between Ernst & Young Assurance Services SRL and Fondul Proprietatea.

Request for the preparation of a supplementary audit report by the financial auditor

On 18 August 2025 the Sole Director of the Fund announced that on 14 August 2025 it received, from certain shareholders of the Fund who also submitted the request for convening the GSM and who hold together at least 5% of the Fund's total voting rights, a request for the preparation of a supplementary audit report by the financial auditor of the Fund concerning the selection process for appointing a new Sole Director and AIFM of the Fund, as approved by the OGM Resolution no. 9/25 September 2023 and conducted by the BoN.

The Sole Director has reviewed the documents and based on the Fund's shareholder structure at 1 August 2025 issued by Depozitarul Central SA, confirms that the legal requirements are met for the preparation of the supplementary audit report at the request of shareholders holding at least 5% of the Fund's voting rights.

The shareholders' request is published on the Fund's website in the sections:

- *Investor Relations – Investor reports*
- *FAQs*
- *Press centre - News*

The Sole Director has submitted the shareholders' request regarding the preparation of the supplementary audit report to the Fund's financial auditor. On 22 August 2025, the Sole Director published the clarifications received from EY concerning the type and content of the supplementary audit report, which are available on the Fund's website in the sections "Press centre - News" and "FAQs".

The Sole Director and the BoN will continue to collaborate with EY in order for EY to finalise the supplementary audit report in accordance with the applicable deadlines and legal provisions and will duly inform the shareholders.

Disclosure of holding over 5% by Axor Holding D.D., Equinox D.D., and Intus Invest D.O.O. of the total voting rights in the Fund

In the current report dated 26 August 2025 (including the errata published on 28 August 2025) the Sole Director announced that the shareholders Axor Holding D.D., Equinox D.D., and Intus Invest D.O.O., have sent a disclosure of holding over 5% of the total voting rights held in the Fund.

According to the disclosure, as at 25 August 2025 the shareholders Axor Holding D.D., Equinox D.D., and Intus Invest D.O.O., held, by virtue of acting in concert, a percentage of 5.06% of the total number of voting rights in Fondul Proprietatea as at 25 August 2025 (i.e. 3,200,784,516).

Updates regarding the selection process

On 26 August 2025 the BoN of the Fund informed investors regarding the publication of the BoN report on the selection process for a new Sole Director and AIFM of Fondul Proprietatea (the "Investors' Report"). The BoN reminded shareholders that the Investors' Report was drafted in relation to item 5 of the OGM Agenda of the Fund to be held on 29 September 2025. The Investors' Report is published on the Fund's website in the sections:

- *Investor Relations - Investor reports*
- *Investor Relations - GSM Information - GSM Documentation*
- *Press centre - News*

Questions from shareholders who hold together more than 5% of the share capital of the Fund, addressed to the BoN, regarding the agenda of the OGM of the Fund convened for 29 September 2025

On 28 August 2025 the Sole Director informed investors that, on 27 August 2025, it received from a number of shareholders of the Fund who hold together more than 5% of the Fund's share capital, a letter addressed to the BoN of Fondul Proprietatea which includes questions regarding the Report of the BoN on the selection process for a new sole director and AIFM of the Fund (which is included in the documentation related to item 5 on the 29 September 2025 OGM agenda and is available on the Fund's website in the section *Investor Relations - GSM Information - GSM Documentation*).

The shareholders' letter regarding the agenda of the 29 September 2025 OGM is published on the Fund's website in the sections:

- *Investor Relations - Investor reports*
- *Press centre – News*
- *FAQs*

The Sole Director will continue to duly inform the shareholders regarding the progress of this request.

Signatures:

28 August 2025

Daniel Naftali

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 SIX-MONTH PERIOD ENDED 30 JUNE 2025

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 SIX-MONTH PERIOD ENDED 30 JUNE 2025
 (all amounts are in RON unless otherwise stated)

	Note	Period ended 30 June 2025	Period ended 30 June 2024
Gross dividend income	5	155,377,892	145,331,260
Interest income	6	11,244,434	19,491,975
Net (loss)/ gain from equity investments at fair value through profit or loss	7	(7,386,821)	66,929,443
Net foreign exchange (loss)		(144,352)	(25,766)
Bank of New York Mellon income		88,321	564,718
Other income, net		958	394,086
Net operating income		159,180,432	232,685,716
Operating expenses	8	(18,043,012)	(18,893,432)
Profit before income tax		141,137,420	213,792,284
Income tax	9	(496,086)	(896,822)
Profit for the period		140,641,334	212,895,462
Other comprehensive income		-	-
Total comprehensive income for the period		140,641,334	212,895,462
Basic and diluted earnings per share	11	0.0447	0.0600

These condensed interim financial statements were authorised for issue on 28 August 2025 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

Daniel Naftali

Permanent Representative

Prepared by:

Catalin Cadaru

Fund Administration and Oversight Senior Manager

The notes on pages 6 to 35 are an integral part of these condensed interim financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

	Note	30 June 2025	31 December 2024
Assets			
Cash and current accounts	12	49,355	226,802
Distributions bank accounts	12	280,184,672	285,228,126
Deposits with banks	12	102,780,282	273,747,721
Dividends receivable	13	155,188,442	-
Equity investments	14	1,886,348,641	1,893,735,461
Other assets		104,153	375,625
Total assets		2,424,655,545	2,453,313,735
Liabilities			
Payable to shareholders	15 (a)	279,373,183	284,460,632
Other liabilities and provisions	15 (b)	19,666,516	6,736,383
Total liabilities		299,039,699	291,197,015
Equity			
Paid share capital	16 (a)	1,849,342,164	1,849,342,164
Other reserves	16 (b)	371,235,356	(404,887,825)
Treasury shares	16 (c)	(279,640,077)	(223,287,982)
Retained earnings		184,678,403	940,950,363
Total equity		2,125,615,846	2,162,116,720
Total liabilities and equity		2,424,655,545	2,453,313,735

The notes on pages 6 to 35 are an integral part of these condensed interim financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(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 2025	1,849,342,164	(404,887,825)	(223,287,982)	940,950,363	2,162,116,720
Profit for the period	-	-	-	140,641,334	140,641,334
Total comprehensive income for the period	-	-	-	140,641,334	140,641,334
Transactions with owners, recorded directly in equity					
Dividends declared	-	-	-	(126,888,404)	(126,888,404)
Acquisition of treasury shares	-	-	(56,352,094)	-	(56,352,094)
Other reserves used to cover estimated negative reserves balance generated by the cancelation of Buyback 15		1,366,923		(1,366,923)	-
Coverage from retained earnings of negative reserves balance generated by cancelation of treasury shares		774,756,258		(774,756,258)	-
Distributions for which the statute of limitation occurred				6,405,768	6,405,768
Corporate income tax recorded directly to equity as per IAS 12 requirements				(307,477)	(307,477)
Total transactions with owners recorded directly in equity	-	776,123,181	(56,352,094)	(896,913,295)	(177,142,207)
Balance as at 30 June 2025	1,849,342,164	371,235,356	(279,640,077)	184,678,403	2,125,615,846

The notes on pages 6 to 35 are an integral part of these condensed interim financial statement

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(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	-	-	-	212,895,462	212,895,462
Total comprehensive income for the period	-	-	-	212,895,462	212,895,462
Transactions with owners, recorded directly in equity					
Dividends declared	-	-	-	(212,452,479)	(212,452,479)
Acquisition of treasury shares	-	-	(30,270,128)	-	(30,270,128)
Other reserves used to cover accounting loss		(151,946)		151,946	
Legal reserve transfer to retained earnings	-	(57,097,986)	-	57,097,986	-
Total transactions with owners recorded directly in equity	-	(57,249,932)	(30,270,128)	(155,202,547)	(242,722,607)
Balance as at 30 June 2024	2,947,779,187	589,555,837	(1,903,463,408)	678,480,531	2,312,352,147

The notes on pages 6 to 35 are an integral part of these condensed interim financial statements.

STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

	Period ended 30 June 2025	Period ended 30 June 2024
Cash flows from operating activities		
Interest received	11,272,751	26,224,718
Dividends received (net of withholding tax)	189,450	1,024,840
Proceeds from disposal of equity investments	-	432,616,168
Sole Director administration fees	(7,559,618)	(21,305,091)
Suppliers and other taxes and fees paid	(7,446,965)	(9,495,370)
Income tax paid	(1,020,827)	(421,917)
WHT payments performed	(976,508)	(44,149,309)
Other (payments performed), net	(865,039)	(467,114)
Net cash flows from operating activities	(6,406,756)	384,026,925
Cash flows from financing activities		
Amounts afferent to distributions for which the statute of limitations has occurred	6,492,517	-
Transfer to distribution accounts	(116,850,602)	(195,497,272)
Acquisition cost of treasury shares	(54,217,779)	(27,931,257)
Dividends transferred corresponding to shareholders having specific legal status	(6,405)	(800,372)
Net cash flows used in financing activities	(164,582,269)	(224,228,901)
Net (decrease)/increase in cash and cash equivalents	(170,989,024)	159,798,024
Cash and cash equivalents at the beginning of the period	273,762,977	191,332,267
Cash and cash equivalents at the end of the period as per the Statement of Cash Flows	102,773,953	351,130,291
Reconciliation of Statement of Cash Flows with the equivalent items reported in the Statement of Financial Position		
	30 June 2025	30 June 2024
Cash and current accounts (see Note 12)	49,355	61,943
Bank deposits with original maturities of less than three months (see Note 12)	102,724,598	351,068,348
Cash and cash equivalent as per Statement of Financial Position	102,773,953	351,130,291
Interest accrued on bank deposits (see Note 12)	55,684	263,206
Distributions bank accounts (see Note 12)	279,268,173	448,459,480
Interest accrued on distribution accounts (see Note 12)	916,499	1,370,162
Total cash and current accounts, deposits with banks, distribution accounts per Statement of Financial Position	383,014,309	801,223,139

The notes on pages 6 to 35 are an integral part of these condensed interim financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(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 mandate for one additional year, up to 31 March 2026, under the same terms and conditions (Management Agreement currently in force). This extension was 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, both of which had not occurred in the established timeline.

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 and up to 25 April 2025, the Fund’s Global Depositary Receipts (“GDR”) have been listed on the London Stock Exchange (“LSE”) – Specialist Fund Market, under ISIN number US34460G1067, with the market symbol “FP.”.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

1. General information (continued)

During the GSM held on 2 December 2024, the shareholders approved the delisting of the GDR issued by The Bank of New York Mellon and admitted to trading on the Specialist Fund Market of the London Stock Exchange. Following the completion of all required regulatory steps, on 25 April 2025 the admission to trading on the LSE of the Fund's GDRs was cancelled.

These condensed interim financial statements for the six-month period ended 30 June 2025 are not audited.

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

These condensed interim financial statements for the six-month period ended 30 June 2025 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 2024, prepared in accordance with IFRS. These condensed interim financial statements are available starting with 29 August 2025, 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 six-month period ended 30 June 2025 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 to 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 interim condensed 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.

While assessing the appropriateness of the going concern basis, the Sole Director has analyzed all relevant 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 portfolio structure/composition and expected developments in the upcoming period, ongoing litigations (including CN Aeroporturi Bucuresti SA share capital increase actions), the 2025 Budget, cash management policies and procedures for the next year including planned distributions as well as shareholders decisions during the period (including GDR delisting).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

2. Basis of preparation (continued)**(b) Going concern (continued)**

In addition, the Sole Director has considered the events and approvals during the reporting period related to the selection process, as described below.

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 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.

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 (Mandate Agreement currently in force). This extension was 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, both of which had not occurred in the established timeline.

On 29 November 2024, the Sole Director of the Fund announced that it will not submit a response to the Request for Proposal in the ongoing selection process for the Fund's Alternative Investment Fund Manager. FTIS remains committed to the management of the Fund until the end of its mandate. The Board of Nominees has stated that it had received two AIFM submissions from a global infrastructure asset manager and a European-based AIFM in partnership with a Romanian asset management advisory firm.

On 28 March the Board of Nominees announced the commencement of a period of consultation with shareholders of Fondul for the BoN to obtain Shareholders' feedback regarding the strategies proposed by the two above mentioned candidates. The announcement also contained a summary of the strategies proposed by the two candidates regarding the future of the Fund.

On 2 May the Board of Nominees announced that it has, in collaboration with Deutsche Numis, continued to conduct in-depth review and assessment of submissions from the two candidates. In the context of this in-depth review and assessment process, the two candidates provided further details, refining their previous submissions and enhancing the terms, conditions, and overall structure in a manner favourable to Fondul. On this date it was announced that the Board of Nominees has selected a preferred candidate, being IRE AIFM HUB S.a R.L., a Luxembourg-based AIFM in partnership with Impetum Management S.R.L., a Romanian asset management advisory firm (Impetum is part of the Impetum Group, which also includes ROCA Investments - private equity for small and medium enterprises), AGISTA (growth capital and IPO facilitation on the AeRO market), ROCA X (venture capital), and CITR (insolvency and restructuring). The Board of Nominees will proceed into a two-way due diligence and negotiation of the terms of the investment management agreement with the preferred candidate, prior to submitting the candidate proposal to the GSM for voting -The planned date for this GSM is September 2025. Please see Note 19 – Subsequent events.

Based on the information made available to the Sole Director, the selection process does not impact the going concern assessment on 30 June 2025. This will be reassessed once the new strategy of the Fund, proposed by the new AIFM, will be approved by the shareholders.

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 impacting the going concern assessment compared to the previous audited financial statements.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

2. Basis of preparation (continued)**(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), 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 June 2025 were as follows: 5.0777 RON/EUR, 4.3329 RON/USD and 5.9329 RON/GBP (30 June 2024: 4.9771 RON/EUR, 4.6489 RON/USD and 5.8800 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 recognized in the period in which the estimates are revised and in any future periods affected.

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

- Note 4 – Financial assets and financial liabilities.
- Note 9 – Income tax.
- Note 10 – Deferred tax.
- Note 14 – Equity investments.
- Note 17 – Contingencies.

The Fund uses measurement techniques to develop accounting estimates about the valuation of its holdings and other relevant assets and liabilities. It does so 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 maybe specific to investment strategies and jurisdictions.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

2. Basis of preparation (continued)
(g) The impact of the Russia – Ukraine military conflict on the Fund’s financial position (continued)

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 2024 and have been applied consistently to all periods presented in these condensed interim financial statements.

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 June 2025	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	49,355	-	-	49,355	49,355
Distributions bank accounts	280,184,672	-	-	280,184,672	280,184,672
Deposits with banks	102,780,282	-	-	102,780,282	102,780,282
Dividends receivable	155,188,442	-	-	155,188,442	155,188,442
Equity investments	-	1,886,348,641	-	1,886,348,641	1,886,348,641
Other financial assets	88,591	-	-	88,591	88,591
Other financial liabilities	-	-	(9,122,613)	(9,122,613)	(9,122,613)
Payable to shareholders	-	-	(279,373,183)	(279,373,183)	(279,373,183)
Total	538,291,342	1,886,348,641	(288,495,796)	2,136,144,187	2,136,144,187
	Other financial assets at amortised cost	Fair value through profit or loss	Other financial liabilities at amortised cost	Total carrying amount	Fair value
31 December 2024					
Cash and current accounts	226,802	-	-	226,802	226,802
Distributions bank accounts	285,228,126	-	-	285,228,126	285,228,126
Deposits with banks	273,747,721	-	-	273,747,721	273,747,721
Equity investments	-	1,893,735,461	-	1,893,735,461	1,893,735,461
Other financial liabilities	-	-	(4,932,008)	(4,932,008)	(4,932,008)
Payable to shareholders	-	-	(284,460,632)	(284,460,632)	(284,460,632)
Total	559,202,649	1,893,735,461	(289,392,640)	2,163,545,470	2,163,545,470

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

4. Financial assets and financial liabilities (continued)**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.

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 of 30 June 2025 and as of 31 December 2024:

30 June 2025	Amortised cost	Level 1	Level 2	Level 3	Total
Cash and current accounts	49,355	49,355	-	-	49,355
Distributions bank accounts	280,184,672	280,184,672	-	-	280,184,672
Deposits with banks	102,780,282	102,780,282	-	-	102,780,282
Dividends receivable	155,188,442	-	-	155,188,442	155,188,442
Other financial assets	88,591	-	-	88,591	88,591
Other financial liabilities	(9,122,613)	-	-	(9,122,613)	(9,122,613)
Payable to shareholders	(279,373,183)	-	-	(279,373,183)	(279,373,183)
Total	249,795,546	538,202,751	-	(288,407,205)	249,795,546

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

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

31 December 2024	Amortised cost	Level 1	Level 2	Level 3	Total
Cash and current accounts	226,802	226,802	-	-	226,802
Distributions bank accounts	285,228,126	285,228,126	-	-	285,228,126
Deposits with banks	273,747,721	273,747,721	-	-	273,747,721
Other financial liabilities	(4,932,008)	-	-	(4,932,008)	(4,932,008)
Payable to shareholders	(284,460,632)	-	-	(284,460,632)	(284,460,632)
Total	269,810,009	559,202,649	-	(289,392,640)	269,810,009

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:

30 June 2025	Level 1	Level 2	Level 3	Total
Equity investments:	109,327,071	-	1,777,021,570	1,886,348,641
Power utilities: generation	-	-	5,972,718	5,972,718
Infrastructure	-	-	1,446,257,260	1,446,257,260
Salt Mining	-	-	260,600,015	260,600,015
Aluminium	109,327,071	-	-	109,327,071
Postal services	-	-	22,327,254	22,327,254
Heavy industry	-	-	25,550,400	25,550,400
Others	-	-	16,313,922	16,313,922
Total	109,327,071	-	1,777,021,570	1,886,348,641

31 December 2024	Level 1	Level 2	Level 3	Total
Equity investments:	109,691,495	-	1,784,043,967	1,893,735,462
Power utilities: generation	-	-	5,972,718	5,972,718
Infrastructure	-	-	1,416,357,454	1,416,357,454
Salt Mining	-	-	297,480,262	297,480,262
Aluminium	109,691,495	-	-	109,691,495
Postal services	-	-	22,327,254	22,327,254
Heavy industry	-	-	25,550,400	25,550,400
Others	-	-	16,355,879	16,355,878
Total	109,691,495	-	1,784,043,967	1,893,735,461

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

4. Financial assets and financial liabilities (continued)**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 condensed interim financial statements represent the best estimates based on available information and under the current conditions.

The valuations are based on prevailing market, economic and other conditions at the valuation date and correspond with 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.

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 reorganization or which ceased their activity which are valued at nil.

The annual valuation process usually starts in the last quarter of each year with new valuation reports being prepared on 31 October (valuation date) which are based on 30 September financial information for each of the companies included in the process. The resulting values are incorporated in December NAV and in the Annual Preliminary Report. The Sole Director analyses the events up to 31 December (reporting date) and updates the valuations for companies where significant changes occurred.

Based on the significance of the holding and financial information provided, the Fund prepared updated valuation reports for the three largest portfolio holdings: CN Aeroporturi Bucuresti SA, Administratia Porturilor Maritime SA and Societatea Nationala a Sarii SA (valuation date: 31 May 2025 based on 31 March 2025 financial data). The reports took into consideration all relevant corporate events up to 30 June 2025 (including dividend approvals).

For all other companies except for Mecon SA and Complexul Energetic Oltenia SA, the valuation reports were prepared as of 31 October based on the financial information available for the companies under valuation on 30 September 2024 and took into consideration all relevant corporate events up to 31 December 2024.

For Complexul Energetic Oltenia SA, based on the result of the analysis performed by the Sole Director, a valuation report was prepared on 31 December 2024 (based on financial information as at that respective date).

For Mecon SA, which has been valued based on public information, the valuation date is 30 June 2024. 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

4. Financial assets and financial liabilities (continued)**Valuation process (continued)**

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.

For Ior SA, although the company is considered illiquid, due to materiality reasons (0.03% of total Level 3 assets), the Fund decided to value the company at market price.

For the following three companies: CN Administratia Canalelor Navigabile SA, CN Administratia Porturilor Dunarii Fluviale SA and CN Administratia Porturilor Dunarii Maritime SA the impact of the 1% building tax brought by GEO 156/2024 was significant and the valuation based on the 31 October 2024 reports was updated to reflect the estimated impact. On 4 April 2025, OUG 21/2025 was published which decreased the applicable building tax based on building categories – As the three companies mentioned above are not significant to the Fund, the Fund did not prepare an additional valuation report to reflect this legislative change (reports will be updated at YE 2025). Portfolio company Administratia Porturilor Maritime SA was also included in the scope of this valuation however the value was further updated based on 31 May 2025 reports as presented above based on the information provided by the company.

As a result of the processes mentioned above, the variation in the unlisted portfolio at 30 June 2025 compared to 31 December 2024 is due to updated valuation of three companies: CN Aeroporturi Bucuresti SA (RON 29,399,967 increase), Administratia Porturilor Maritime SA (RON 499,839 increase), Societatea Nationala a Sarii SA (RON 36,880,247 decrease). Total impact of RON 6,980,441 fair value decrease.

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 may be.

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 financial statements.

Valuation process financial assets measured at fair value – Level 3

The table below presents the movement in Level 3 equity investments during the six-month periods ended 30 June 2025 and 30 June 2024:

	6 months ended 30 June 2025	6 months ended 30 June 2024
	Equity investments	Equity investments
Opening balance	1,784,043,967	1,672,153,855
Net unrealised (loss)/gain recognised in profit or loss	(7,022,397)	65,471,749
Closing balance	1,777,021,570	1,737,625,604

The valuation for the Level 3 equity investments as of 30 June 2025 was prepared as follows:

- 94.66% 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 of 31 May 2025.
- 4.13% 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 of 31 October 2024.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(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)

- 0.85% 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 of 31 October 2024 updated as described above.
- 0.34% 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 of 31 December 2024.
- 0.03% of the fair value of Level 3 equity investments representing listed but illiquid holdings was determined based on the last available Bucharest Stock Exchange reference price - Considering materiality aspects, IOR SA, although considered illiquid, was valued using the market price.
- the holdings in companies in liquidation, dissolution, bankruptcy, insolvency, judicial reorganization or which ceased their activity were valued at nil.

The valuation for the Level 3 equity investments as of 31 December 2024 was prepared as follows:

- 62.06% 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 of 31 October 2024.
- 20.89% 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 of 31 October 2024 updated as described above.
- 17.05% 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 of 31 December 2024.
- 0.03% of the fair value of Level 3 equity investments representing listed but illiquid holdings was determined based on the last available Bucharest Stock Exchange reference price - Considering materiality aspects, IOR SA, although considered illiquid, was valued using the market price.
- the holdings in companies in liquidation, dissolution, bankruptcy, insolvency, judicial reorganization or which ceased their activity were valued at nil.

As of 30 June 2025, and 31 December 2024, the fair value for 1.3% of the Level 3 equity investments was determined by applying the market comparison technique using comparable trading multiples for Price/Earnings indicators, while the fair value for almost 98.6% 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 maximize the use of relevant observable inputs and minimize 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.

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(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)**

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, 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 flow is expected to grow indefinitely in 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 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 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.

For the portfolio company Societatea Nationala a Sarii SA, following the flooding of the Praid mine, the independent valuer performed several scenarios to estimate the value of the company considering this occurrence and the limited information available at the date of the valuation report. The scenario considered to be the best estimate given the unfolding events and uncertainties, assumes that all costs related to recovery of Praid operations and salary costs for Praid employees for 7 months of 2025 are covered from subventions received. According to the selected scenario, the revenue corresponding to Praid mine would return to prior estimated levels (either from the mine reopening or alternative sources) during FY 2026. The uncertainties embedded in the scenario selected resulted in a higher weighted average of cost capital being applied.

Fondul Proprietatea is not directly affected by climate related matters. However, Fondul owns holdings in several 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(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)**

For the relevant portfolio companies, based on the information available, under income approach a higher volatility, related to climate factors, was embedded in the market risk starting with December 2023 valuation process. 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 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 on 30 June 2025 and 31 December 2024 the income approach is the main method for most of the portfolio holdings (98.6%) as described above.

The following tables set out information about the significant unobservable inputs used on 30 June 2025 and 31 December 2024 in measuring equity instruments classified as Level 3 in the fair value hierarchy:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(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 30 June 2025	Main valuation technique	Unobservable inputs range (weighted average)	Relationship of unobservable inputs to fair value
Total	1,777,021,570			
Unlisted equity instruments and listed illiquid equity instruments	1,751,729,028	Income approach – discounted cash flow method (DCF)	<p>EBIT estimated for each company</p> <p>Weighted average cost of capital ranging from 10.2% - 17.81% (12.72%)</p> <p>Discount for lack of marketability ranging from 11.4% - 16.4% (16.05%)</p> <p>Discount for lack of control: 0% - 26.7% (17.31%)</p> <p>Long-term growth rate: 2.50% - 4% (3.19%)</p> <p>Assumption used in the scenario for Praid mine related to, cost, revenues and discount factors.</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> <p>The higher the cost, the lower the fair value. The higher the revenue, the higher the fair value. The higher the discount factors, the lower the fair value.</p>
Unlisted equity instruments	22,327,254	Market approach - comparable companies (based on Price /Earnings multiple)	<p>Price/Earnings value: 7.6</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	2,393,632	Asset based approach	Discount for lack of marketability: 30.4%	<p>The lower the 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>
Listed illiquid equity instruments	571,656	Bucharest Stock Exchange reference price	These shares are traded infrequently and have little price transparency. Fair values for these equity instruments were those used in the calculation of the net asset value of the Fund, in accordance with the regulations issued by the Financial Supervisory Authority.	

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(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 2024	Main valuation technique	Unobservable inputs range (weighted average)	Relationship of unobservable inputs to fair value
Total	1,784,043,967			
Unlisted equity instruments and listed illiquid equity instruments	1,758,709,469	Income approach – discounted cash flow method (DCF)	EBIT estimated for each company Weighted average cost of capital ranging from 10.2% - 17.81% (13.24%) Discount for lack of marketability ranging from 11.4% - 16.1% (15.81%) Discount for lack of control: 0% - 26.7% (17.85%) Long-term growth rate: 2.50% - 3% (2.51%) 1% building tax brought by OUG 156/2024 applied for 1 year	The higher the EBIT estimates, the higher the fair value. The lower the weighted average cost of capital, the higher the fair value. The lower the discount for the lack of marketability, the higher the fair value. The lower the discount for the lack of control, the higher the fair value. The higher the long-term growth rate, the higher the fair value. The longer the period of applicability of the tax, the lower the fair value.
Unlisted equity instruments	22,327,254	Market approach - comparable companies (based on Price /Earnings multiple)	Price/Earnings value: 7.6 Discount for lack of marketability: 22.1%	The higher the Price /Earnings multiple, the higher the fair value. The lower the discount for the lack of marketability, the higher the fair value.
Listed illiquid equity instruments	2,393,632	Asset based approach	Discount for lack of marketability: 30.4%	The lower the discount for lack of marketability, the higher the fair value. 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.
Listed illiquid equity instruments	613,612	Bucharest Stock Exchange reference price	These shares are traded infrequently and have little price transparency. Fair values for these equity instruments were those used in the calculation of the net asset value of the Fund, in accordance with the regulations issued by the Financial Supervisory Authority.	

As of 30 June 2025, and 31 December 2024, 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 SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

5. Gross dividend income

	6 months ended 30 June 2025	6 months ended 30 June 2024
CN Aeroporturi Bucuresti SA	103,023,191	80,369,314
Societatea Nationala a Sarii SA	51,977,438	63,728,613
Others	377,262	1,233,333
Total	155,377,892	145,331,260

The dividend income was subject to 8% Romanian withholding tax during the six-month periods ended 30 June 2025 and 30 June 2024. 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 six-month period ended 30 June 2025 and 30 June 2024.

6. Interest income

The interest income recorded for the six-month periods ended 30 June 2025 and 30 June 2024, was generated through cash placements performed by the Fund under the regular cash management process. A significant part of the income recorded for the six-month period ended 30 June 2025 was generated by interest on distribution accounts – 40.4% of total interest income (30 June 2024: 43.9%)

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

	6 months ended 30 June 2025	6 months ended 30 June 2024
Unrealised gain from equity investments at fair value through profit or loss	29,899,806	70,257,610
Unrealised loss from equity investments at fair value through profit or loss	(37,286,627)	(3,328,167)
Total	(7,386,821)	66,929,443

The unrealised gain from equity investments at fair value through profit or loss for the six-month period ended 30 June 2025 was mainly generated by the change in fair value for the holding in CN Aeroporturi Bucuresti SA (unrealised gain of RON 29,399,967).

The unrealised gain from equity investments at fair value through profit or loss for the six-month period ended 30 June 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 loss from equity investments at fair value through profit or loss for the six-month period ended 30 June 2025 was mainly generated by the negative change in fair value for the holding in Societatea Nationala a Sarii SA (unrealised loss of RON 36,880,247).

The unrealised loss from equity investments at fair value through profit or loss for the six-month period ended 30 June 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).

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

8. Operating expenses

	6 months ended 30 June 2025	6 months ended 30 June 2024
FTIS administration fees (i)	9,729,152	11,484,746
Third party services (ii)	4,528,237	5,044,156
Fund Manager selection expenses (iii)	1,455,060	-
FSA monthly fees (iv)	1,013,529	1,061,912
BON remunerations and related taxes (v)	851,778	851,778
Other Board of Nominees related costs (vi)	324,798	358,893
Depositary bank fee	31,468	27,903
Other operating expenses	108,990	64,044
	18,043,012	18,893,432

(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 buybacks is recognised directly in equity as buy-backs acquisition cost.

The administration fees recorded during the six-month periods ended 30 June 2025 and 30 June 2024 are presented in the table below:

	6 months ended 30 June 2025	6 months ended 30 June 2024
Base fee	7,508,605	7,766,828
Distribution fee related to dividend distributions to shareholders	2,220,547	3,717,918
Administration fees recognised in profit or loss	9,729,152	11,484,746
Distribution fees related to buy-backs recognised in equity	947,831	488,061
Total administration fees	10,676,983	11,972,807

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

Distribution fees related to dividend distributions have decreased compared to the previous period as total distributed gross amount decreased between the periods (RON 126,888,409 during the 6 months ended 30 June 2025 compared to RON 212,452,479 during the 6 months period ended 30 June 2024).

The sixteenth buy-back programme which will be performed throughout the financial year ending on 31 December 2025 started on 3 February 2025 (first trade date) and the amounts seen in the distribution fee section above are linked to these transactions. 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 June 2025 and 31 December 2024.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

8. Operating expenses (continued)*(ii) Third party services*

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

	6 months ended 30 June 2025	6 months ended 30 June 2024
Legal and litigation assistance expenses	1,754,925	1,793,330
External audit	621,385	654,237
Tax compliance and tax advisory expenses	309,320	294,974
Regulatory and compliance expenses	271,963	415,594
GSM organization	257,534	384,878
Investors' relations expenses	231,573	154,687
Portfolio valuation services	188,476	306,878
PR expenses	176,564	261,958
GDR delisting	155,600	-
Software maintenance	143,554	92,460
Corporate brokerage fee Jefferies	103,030	200,129
Others	314,314	485,032
	4,528,237	5,044,156

Other services mainly include government relations consultant fees, internal audit fees and Central Depository distribution 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 2024 and for the financial year which will end on 31 December 2025 is Ernst & Young Assurance Services SRL.

(iii) Fund Manager selection expenses

Mainly include the fees incurred for the services provided by the selection advisor (Deutsche Numis) pursuant to its appointment in accordance with Resolution no. 14 of 27 September 2024 GSM and other legal advisory fees.

Total 2024 selection budgeted expenses were approved by the shareholders with Resolution no. 15 of 27 September 2024 GSM. During the GSM held on 29 April 2025, the shareholders approved an amendment to the 2025 Annual Budget (approved during 2 December 2024 GSM) by which the Fund Manager selection budget was increased by RON 1,776,611.

For more details, please see Note 1 – General information.

(iv) FSA monthly fees

During the six-month periods ended 30 June 2025 and 30 June 2024, the FSA fee was 0.0078% per month applied on the total net asset value.

(v) 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 18 (a) Related parties for further details).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

8. Operating expenses (continued)

 (vi) *Other Board of Nominees related costs*

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

	6 months ended	6 months ended
	30 June 2025	30 June 2024
Professional insurance costs	248,522	243,564
Costs with accommodation, transport, meals etc.	54,339	73,871
Advisory services	21,938	41,458
	324,798	358,893

Advisory services for the six-month periods ended 30 June 2025 and 30 June 2024 include legal consultant fees engaged to support the Board of Nominees in performing their duties.

9. Income tax

The tables below show a reconciliation of the tax expense registered by the Fund during the six-month periods ended 30 June 2025 and 30 June 2024.

	6 months ended 30	6 months ended 30
	June 2025	June 2024
Reconciliation of effective tax rate		
Net income for the period	140,641,334	212,895,462
Income tax based on taxable profits	(496,086)	(896,822)
Income excluding income tax	141,137,420	213,792,284
Income tax expense using the standard tax rate (16%)	22,581,987	34,206,765
Impact on the income tax of:		
Taxation applied on dividend income	(24,860,461)	(23,253,002)
Non-taxable income (other than dividend income)	(14,903,193)	(20,759,311)
Non-deductible expenses	18,835,290	12,794,938
Fiscal result impact in the current period considering the available for use brought forward fiscal loss	(1,157,537)	(2,092,569)
Income tax based on taxable profits	496,086	896,822

In addition to the amount charged to profit or loss, the following amounts relating to current income tax have been recognised directly in equity:

	6 months ended 30	6 months ended 30
	June 2025	June 2024
Impact on the income tax of:		
Elements similar to revenues (taxable equity items)	1,024,923	-
Fiscal result impact in the current period considering the available for use brought forward fiscal loss (70%)	(717,445)	-
Tax on equity items, of which are related to:	307,477	-
<i>Dividends with statute of limitation declared</i>	307,477	-

Starting with 1 January 2024, entities showing a tax profit can 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% rate.

The fiscal result impact as of 30 June 2025 of RON 1,874,982 (RON 1,157,537 for profit and loss and RON 717,445 for equity from the tables above) represents the utilizable amount on 30 June 2025 of the brought forward fiscal loss as per the legislative change presented above.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

9. Income tax (continued)

The fiscal result impact as of 30 June 2024 of RON 2,092,569 represents the utilizable amount on 30 June 2024 of the brought forward fiscal loss as per the legislative change presented above.

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.

During the period ended 30 June 2025, the date of invalidation (three year period from Payment Date) was reached for two dividend distributions performed during 2022. At the authorisation date of these condensed interim financial statements the Fund is undergoing an analysis regarding the remaining unpaid balances for these distributions. Please see Note 15 (a) Liabilities – payable to shareholders for more information.

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.

As of 30 June 2025, the Fund has an income tax due to the State Budget in amount of RON 296,215 (31 December 2024: RON 513,479).

According to the changes to Law 296/2023 regarding some fiscal-budgetary measures to ensure Romania's long-term financial sustainability, a new minimum corporate tax of 1% on adjusted turnover was payable starting with 1 January 2024. Based on the analysis performed, the Fund fell outside the area of applicability of the minimum tax for the six-month periods ended on 30 June 2025 and 30 June 2024.

10. Deferred tax

As of 30 June 2025, and 31 December 2024 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 of 30 June 2025 and 31 December 2024, the net deferred tax position is nil as the Fund did not recognise any deferred tax asset or deferred tax liability.

As of 30 June 2025, and 31 December 2024 the unused fiscal loss carried forward amounts to RON 294,748,307, out of which RON 98,094,512 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 six-month periods ended 30 June 2025 and 30 June 2024. The deferred tax balances during both these periods were zero.

11. Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary paid shares in issue during the period, excluding the average number of ordinary shares purchased by the Fund and held as treasury shares (based on their settlement date). As of 30 June 2025 and 30 June 2024, none of the Fund's issued shares or other instruments had dilutive effect, therefore basic and diluted earnings per share are the same.

	6 months ended	6 months ended
	30 June 2025	30 June 2024
Profit for the period	140,641,334	212,895,462
Weighted average number of ordinary shares	3,147,170,114	3,546,102,228
Basic and diluted earnings per share	0.0447	0.0600

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

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

	<u>30 June 2025</u>	<u>31 December 2024</u>
Current accounts with banks	49,355	226,802
Cash and current accounts	49,355	226,802

	<u>30 June 2025</u>	<u>31 December 2024</u>
Bank deposits with original maturities of less than three months	102,724,598	273,536,175
Interest accrued on bank deposits	55,684	211,546
Deposits with banks	102,780,282	273,747,721

	<u>30 June 2025</u>	<u>31 December 2024</u>
Distributions bank accounts	279,268,173	284,442,572
Interest accrued on distributions bank accounts	916,499	785,554
Distributions bank accounts	280,184,672	285,228,126

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.

As described in Note 3 – Material accounting policies of the annual financial statements for the year ended 31 December 2024, 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.

13. Dividends receivable

At 30 June 2025 and 31 December 2024 the Fund had the following dividend receivables:

	<u>30 June 2025</u>	<u>31 December 2024</u>
CN Aeroporturi Bucuresti SA	103,023,191	-
Societatea Nationala a Sarii SA	51,977,438	-
CN Administratia Porturilor Dunarii Maritime SA	187,812	-
	155,188,442	-

All the amounts presented above have been collected before the authorization date of these financial statements.

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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

14. Equity investments (continued)**Portfolio**

As of 30 June 2025 and 31 December 2024 the Fund's portfolio comprised the following holdings:

	<u>30 June 2025</u>	<u>31 December 2024</u>
CN Aeroporturi Bucuresti SA	1,063,299,715	1,033,899,748
Administratia Porturilor Maritime SA	358,199,822	357,699,983
Societatea Nationala a Sarii SA	260,600,015	297,480,262
Alro SA	109,327,071	109,691,495
Zirom SA	25,550,400	25,550,400
Posta Romana SA	22,327,254	22,327,254
CN Administratia Canalelor Navigabile SA	7,603,161	7,603,161
Alcom SA	10,213,272	10,213,272
Other	29,227,931	29,269,886
Total equity investments	<u>1,886,348,641</u>	<u>1,893,735,461</u>

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

As 30 June 2025 and 31 December 2024 the Fund had the following subsidiaries, both incorporated in Romania:

	<u>30 June 2025</u>	<u>31 December 2024</u>
Zirom SA	25,550,400	25,550,400
Alcom SA	10,213,272	10,213,272
	<u>35,763,672</u>	<u>35,763,672</u>

As 30 June 2025 and 31 December 2024 the Fund had two associates, both incorporated in Romania:

	<u>30 June 2025</u>	<u>31 December 2024</u>
Societatea Nationala a Sarii SA	260,600,015	297,480,262
Plafar SA	3,135,362	3,135,362
	<u>263,735,378</u>	<u>300,615,624</u>

Please see Note 18 (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 six-month periods ended 30 June 2025 and 30 June 2024 is presented below:

	<u>6 months ended 30 June 2025</u>	<u>6 months ended 30 June 2024</u>
Opening balance	1,893,735,461	1,784,396,314
Net (loss)/ gain from equity investments at fair value through profit or loss	(7,386,820)	66,929,444
Closing balance	<u>1,886,348,641</u>	<u>1,851,325,758</u>

Gerovital Cosmetics SA deregistration

On 23 June 2025 Gerovital Cosmetics SA was deregistered from the National Trade Registry. The holding was previously valued at 0 as the company was under bankruptcy proceedings.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

14. Equity investments (continued)**CN Aeroporturi Bucuresti SA (“CNAB”) litigation***Details regarding 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. Decision no. 373/7 March 2024 issued by the Bucharest Court of Appeal is final. On 27 January 2025, the Bucharest Court of Appeal also issued the reasoning of Decision no. 373/7 March 2024.

On 8 July 2025, Ministry of Transport approved within a GSM the Resolution no. 8/8 July 2025, to restart the valuation process for the share capital increase with the value of the lands at Baneasa Airport. The Fund challenged this GSM decision in court, before Ilfov Tribunal. As at the publication date of this report, the first hearing date has not yet been set.

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 13 December 2024, the court admitted the opposition filed by the Fund and the request for registration of EGM Resolution no. 15/26.10.2021 with the Trade Register was dismissed. The decision became final, not being appealed within the legal term;
- 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 suspend the proceedings pending a plea of unconstitutionality raised by the Fund regarding certain provisions from the Contentious administrative Law no. 554/2004; the plea of unconstitutionality is currently pending with the Constitutional Court;
- Action against the valuation report issued by ANG Consulting SRL; at the hearing on 10 June 2025, the court rejected, as inadmissible, the action for the annulment of the valuation report issued by ANG Consulting SRL filed by the Fund. The decision is subject to appeal within 30 days from the date of communication;
- 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. On 10 January 2025, the court rejected, as unfounded, the action for annulment of the EGM Resolution no. 14/24.09.2019 filed by the Fund. The judgment of the court was communicated on 20 August 2025 and is subject to appeal within 30 days from the date of communication

For full details regarding the litigations between the Fund and CN Aeroporturi Bucuresti SA regarding the share capital increase with the plots of land inside Baneasa airport, please also see the Annual reports of the Fund for the financial years 2023 and 2024.

Valuation of CN Aeroporturi Bucuresti SA

For 30 June 2025 and 31 December 2024 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 2024 meaning that, 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 Sole Director will analyse the future actions of CN Aeroporturi Bucuresti SA and their potential impact on the valuation of the company. The Fund will implement any necessary legal actions to protect the interest of the shareholders, as needed and depending on the future actions of the company related to the share capital increase process.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

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

Total dividends payable on 30 June 2025 amount to RON 279,373,183 (31 December 2024: RON 284,460,632). Dividends payable on 30 June 2025 and 31 December 2024 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 (81.6% out of total dividends payable on 30 June 2025 and 83.6% out of total dividends payable on 31 December 2024). The movement during the period is presented in the table below:

	30 June 2025	31 December 2024	30 June 2024
Opening balance	284,460,632	546,457,941	546,457,941
Gross distributions approved during the period out of which			
-Annual dividends	126,888,404	212,452,479	213,418,255
-Special dividends	-	-	-
Payments of net distributions (dividends) performed from the dedicated accounts	(115,534,542)	(443,616,680)	(287,065,754)
Withholding tax payable to state budget	(10,035,544)	(15,402,100)	(16,367,876)
Distributions for which the statute of limitation occurred	(6,405,768)	(15,431,010)	-
Closing balance	279,373,183	284,460,632	477,692,454

During the period ended 30 June 2025, the date of invalidation (three year period from Payment Date) was reached for two dividend distributions performed during 2022. As such, according to the contractual terms, the Paying Agent closed the distribution accounts and transferred the afferent amounts to the Fund's current account (RON 6,405,768 for February 2022 distribution). At the authorization date of these condensed interim financial statements the Fund is undergoing an analysis regarding the remaining balances corresponding the June 2022 distribution (RON 13,186,096). The corresponding distribution account balances have not been affected.

(b) Other liabilities and provisions

	30 June 2025	31 December 2024
Tax on dividends due to State Budget	10,035,544	976,505
FTIS Administration fees	6,667,772	3,450,577
Payables related to treasury shares under settlement	1,091,287	-
Income tax payables	296,215	513,479
Financial Supervisory Authority fees	167,444	165,213
Other liabilities	1,408,254	1,630,609
	19,666,516	6,736,383

The Administration fee payables recorded on 30 June 2025 mainly relate to base fee and distribution fees due for the 2025 dividend distribution (31 December 2024: payables mainly relate to base fee).

The significance increase in the caption related to tax on dividends is due to the fact that the 2025 annual dividend distribution approved by shareholders during the GSM held on 29 April 2025 had Payment date on 19 June 2025 meaning that none of the afferent due withholding tax was paid to the State Budget up to 30 June 2025.

For 30 June 2025 other liabilities caption mainly include accruals related to legal fees, accruals for the fees due to the external independent valuers. For 31 December 2024 other liabilities caption mainly include accruals for the fees due to various advisors which are assisting the Fund with the GDR delisting process, portfolio valuation services and other services received by the Fund.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

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

There was no change in the share capital of the Fund recorded during the half of 2025.

During the year ended 31 December 2024, the paid in share capital of the Fund decreased by RON 1,098,437,022.28 following 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 GSM held on 2 December 2024, the shareholders approved the decrease of the subscribed and paid-up share capital of Fondul Proprietatea by RON 184,934,216, from RON 1,849,342,164 to RON 1,664,407,948, pursuant to the cancellation of 355,642,723 own shares acquired by Fondul Proprietatea during 2024 through the 15th buy-back programme. Please see Note 19 – Subsequent events for more information.

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

	<u>30 June 2025</u>	<u>31 December 2024</u>
Number of shares in issue	3,556,427,239	3,556,427,239
Number of paid shares	3,556,427,239	3,556,427,239
Nominal value per share (RON)	0.52	0.52

The shareholders structure as of 30 June 2025 and 31 December 2024 was as follows:

Shareholder categories	<u>30 June 2025</u>		<u>31 December 2024</u>	
	% of subscribed and paid share capital	% of voting rights	% of subscribed and paid share capital	% of voting rights
Romanian private individuals	49.83%	58.11%	50.92%	56.58%
Romanian institutional investors	13.63%	15.90%	16.01%	17.79%
Romanian State	10.42%	12.15%	10.42%	11.57%
Foreign institutional investors	6.35%	7.40%	6.21%	6.90%
Foreign private individuals	5.54%	6.45%	4.92%	5.47%
The Bank of New York Mellon (depository for the Fund's GDRs)*	0%	0%	1.52%	1.69%
Treasury shares	14.23%	0.00%	10.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%

Source: Depozitarul Central SA (Central Depository)

* As mentioned in Note 1 – General Information, on 25 April 2025 the admission to trading on the LSE of the Fund's GDRs was cancelled.

(b) Other reserves

	<u>30 June 2025</u>	<u>31 December 2024</u>
Legal reserves (i)	369,868,433	369,868,433
Other reserves (ii)	1,366,923	-
Losses from cancellation of treasury shares (negative equity reserves) (iii)	-	(774,756,258)
	<u>371,235,356</u>	<u>(404,887,825)</u>

(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.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

16. Shareholders' equity**(b) Other reserves (continued)**

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.

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.

Following the decreases, the corresponding amount was transferred to retained earnings to be available for future use by shareholders.

During the GSM held on 29 April 2025, the shareholders approved the decrease of the legal reserve of Fondul Proprietatea by RON 36,986,843 from RON 369,868,433, representing 22.22% of the share capital, to RON 332,881,590, representing 20.00% of the share capital value after the implementation and effectiveness of the share capital decrease approved on 2 December 2024 mentioned above.

As of 30 June 2025, and 31 December 2024 the legal reserve amount represented 20% of the value of the issued share capital.

(ii) During the GSM held on 29 April 2025 the shareholders approved to allocate from 2024 net audited accounting profit an amount of RON 1,366,923 to other reserves to be used for covering the negative reserves estimated to arise in 2025 from the cancellation of treasury shares acquired during the 2024 buy-back programme.

Additionally, during the same meeting the shareholders approved to transfer to other reserves an amount equal to RON 36,986,843 to be used in the future periods to cover the negative reserves mentioned above (total estimated negative reserves estimated from the cancellation of shares bought back during the 2024 buy-back programme equal to RON 38,353,766). At 30 June 2025, the Fund had not yet recorded this transfer as the share capital reduction process approved during the 2 December 2024 GSM as described above had not yet been finalised. Please see Note 19 – Subsequent events for more information.

(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. These amounts will be covered by the other reserves specifically set up for this purpose or other sources 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

During the GSM held on 29 April 2025, the shareholders approved the coverage of the losses from cancellation of treasury shares in balance at 31 December 2024 in amount of RON 774,756,258 with various elements of Retained earnings amounting to RON 689,417,797 and also with part of the unallocated 2024 net audited profit in amount of RON 85,338,460. As such, as can be seen in the table above, the balance of Losses from cancellation of treasury shares at 30 June 2025 is nil.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

16. Shareholders' equity
(c) Treasury shares

The table below summarises the details regarding the sixteenth buy-back programme, respectively the buy-back programme to be carried out during 2025:

Program	GSM date approving the buy-back programme	Starting date	Completion date	Acquisition price range as approved by GSM
	2-Dec-2024	date when the resolution related to the approval was published in the Official Gazette of Romania, Part IV (29 January 2025)	31-Dec-2025 or until the regulatory limit is reached	0.2 – 1 RON per share
Sixteenth buy-back				

The sixteenth buy-back programme refers to the acquisition by the Fund of a maximum number of 320,000,000 shares and/or equivalent global depository receipts corresponding to the Fund's shares.

The movement in the number of treasury shares (including the equivalent shares of GDRs bought-back) during the three-month periods ended 30 June 2025 and 30 June 2024 is presented in the tables below:

6 months ended 30 June 2025	Treasury shares number - opening balance	Acquisitions during the period	Cancellations during the period	Treasury shares number - closing balance
Fifteenth buy-back	355,642,723	-	-	355,642,723
Sixteenth buy-back	-	153,630,664	-	153,630,664
	355,642,723	153,630,664	-	509,273,387

6 months ended 30 June 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	-	64,601,950	-	64,601,950
	2,112,378,889	64,601,950	-	2,176,980,839

The movement of treasury shares carrying amounts during the first half of 2025 and the first half of 2024 is presented in the tables below:

6 months ended 30 June 2025	Opening balance	Cost of treasury shares acquired	Cancellation of treasury shares	Closing balance
Fifteenth buy-back	223,287,982	-	-	223,287,982
Sixteenth buy-back	-	56,352,094	-	56,352,094
	223,287,982	56,352,094	-	279,640,077

6 months ended 30 June 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	-	30,270,128	-	30,270,128
	1,873,193,280	30,270,128	-	1,903,463,408

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

16. Shareholders' equity (continued)**(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 29 April 2025 General Shareholders Meeting, the Fund's shareholders approved the distribution of a gross dividend of RON 0.0409 per share from the 2024 financial year audited profit. The shareholders registered in the shareholders' registry with the Central Depository on 28 May 2025 had the right to receive a gross dividend of RON 0.0409 per share, proportionally with their participation in the paid in share capital of the Fund. The payment started on 19 June 2025.

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.

17. Contingencies

On 30 June 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.

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

(i) Receivables from World Trade Center Bucuresti SA

Title II, Article 4 of Government Emergency Ordinance no. 81/2007 stipulated the transfer of World Trade Center Bucuresti SA receivables from the Authority for State Assets Recovery to the Fund, amounting to USD 68,814,198 (including the original principal and related interest and penalties) on 29 June 2007. Between 2008 and 2010, the Fund recovered from World Trade Center Bucuresti SA, USD 510,131, EUR 148,701 and RON 8,724,888. Given the uncertainties regarding the recoverability of the amounts due by World Trade Center Bucuresti SA, the above amounts were recognised on receipt basis in the Fund's financial statements. The amounts recovered from the enforcement procedure were accounted for by the Fund as contributions of the Romanian State to the share capital of the Fund, decreasing the receivable related to the unpaid capital.

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

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

On 18 February 2020, the Court ruled in favour of the Fund in the case started against the Romanian State, represented by Ministry of Public Finance, for recovering the contributions of the Romanian State to the share capital of the Fund. The decision was issued in the first stage and Ministry of Public Finance appealed it.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

17. Contingencies (continued)*(i) Receivables from World Trade Center Bucuresti SA (continued)*

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, which are pending with the Court, in which first-tier decisions have been issued:

- a set of actions against World Trade Center Bucharest SA (challenges in the insolvency proceedings) has been dismissed as unfounded by the syndic judge by final decision on 16 September 2024.
- a claim against the Romanian State, represented by the Ministry of Public Finance, based on unjust enrichment, has been dismissed by final decision on 26 February 2025.

An analysis on the impact of these decisions and further strategy will be performed.

(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.

18. Related parties**(a) Key management***(i) Board of Nominees (“BON”)*

	6 months ended 30 June 2025	6 months ended 30 June 2024
BON gross remunerations, out of which:	851,778	851,778
Contributions to social security fund retained from gross remuneration	123,390	83,586
Contributions to health insurance fund retained from gross remuneration	49,362	33,437
Income tax	67,908	73,482
Net remunerations paid to BON members	611,118	661,273

Other costs incurred by the Fund in relation to the members of the Board of Nominees are detailed in note 8 – Operating expenses - (vi) Other BON related costs.

There were no loans between the Fund and the members of the Board of Nominees neither in the first half of 2025 nor in the first half of 2024. 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 Luxemburg were the following:

	6 months ended 30 June 2025	6 months ended 30 June 2024
Transactions		
Administration fees	10,676,983	11,972,807

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

18. Related parties (continued)**(a) Key management (continued)***(ii) Sole Director (continued)*

Transactions	6 months ended 30	6 months ended 30
	June 2025	June 2024
Rent expense charged to the Fund	49,960	48,412
Operating cost charged to the Fund	18,284	15,628
	68,244	64,040

During the six-month period ended 30 June 2025, the Fund recorded RON 74,707 (30 June 2024: RON 98,584) 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 June 2025	31 December 2024
FTIS Luxembourg	6,667,772	3,450,577
FTIS Bucharest Branch	83,419	37,897
	6,751,191	3,488,474

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

(b) Subsidiaries

As described in Note 14 – Equity investments, the Fund has the following subsidiaries at 30 June 2025 and 31 December 2024:

Ownership

interest	30 June 2025	31 December 2024
Zirom SA	100%	100%
Alcom SA	72%	72%

As of 30 June 2025, and 31 December 2024, the Fund had no commitment to provide financial or other support to its subsidiaries, including commitments to assist the subsidiaries in obtaining financial support.

During the six-month periods ended 30 June 2025 and 30 June 2024, the Fund did not receive dividends from investments in subsidiaries.

As of 30 June 2025, and 31 December 2024 there were no dividends receivable from subsidiaries.

(c) Associates

As described in Note 14 – Equity investments, the Fund has the following associates on 30 June 2025 and 31 December 2024:

Ownership interest	30 June 2025	31 December 2024
Societatea Nationala a Sarii SA	49%	49%
Plafar SA	49%	49%

During the six-month periods ended 30 June 2025 and 30 June 2024, the Fund did not collect dividends from investments in associates. At 30 June 2025, the Fund has in balance a dividend receivables in amount of RON 51,977,438 to be received from Societatea Nationala a Sarii SA. Please see Note 19 Subsequent events for more information.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

(all amounts are in RON unless otherwise stated)

18. Subsequent events**Settlement of dividend received from Societatea Nationala a Sarii SA**

On 17 July 2025, the Fund received a total of RON 51,977,438 from the company.

Settlement of dividend received from CN Aeroporturi Bucuresti SA

On 23 July 2025, the Fund received a total of RON 103,023,191 from the company.

Share capital reduction

Through Endorsement no. 86/7 August 2025 the FSA authorised the decrease of the Fund's subscribed and paid-up share capital 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 during 2024 within the 15th buy-back programme, as approved by the Fund's EGM Resolution no. 9/ 2 December 2024.

The share capital decrease is effective starting with 13 August 2025, when the Trade Registry registered the EGM Resolution mentioned above. Consequently, starting 13 August 2025, the new value of the Fund's subscribed and paid-up share capital is RON 1,664,407,948.32, divided into 3,200,784,516 shares with a nominal value of RON 0.52 per share.

Convening notice for 29 September 2025 GSM

On 13 August 2025 the Sole Director of the Fund convened a GSM for 29/30 September 2025. The main points included are as follows:

- Several points regarding the appointment of a new fund administrator which also include points submitted by shareholders which have a FP holding above 5%.
- Approval of the distribution of dividends in gross aggregate amount equal to RON 37,200,000 from FP's 2024 unallocated retained earnings, meaning a gross dividend per share of RON 0.0122825494, with 3 November 2025 as the Ex – Date, 4 November 2025 as the Registration Date and 26 November 2025 as the Payment Date.
- Appointment of Ernst & Young Assurance Services SRL as the financial auditor of Fondul Proprietatea for the financial years ended 31 December 2026, 31 December 2027 and 31 December 2028.

Tender Offer within the 16th Buy-back programme

On 28 July 2025, the Sole Director of the Fund informed shareholders that an application for the approval of a tender offer for cash of its own shares in relation to the 16th Buy-back programme was submitted to the FSA. Under this tender offer, the Fund intended to repurchase from its shareholders up to 120 million shares. On 7 August 2025, the Sole Director of the Fund informed shareholders that, following the request to convene the OGM of the Fund received on 1 August 2025 from a number of shareholders with one of the points on the agenda being the approval the distribution of dividends totalling RON 37,200,000, has filed with the FSA on the same day the amendment to the offer documentation, reducing the number of shares that the Fund intends to repurchase up to 80 million shares.

Annex 2 Statement of Assets and Obligations of Fondul Proprietatea SA as at 30 June 2025, prepared in accordance with FSA Regulation nr. 7/2020 (Annex no. 11)

	Item	31 December 2024			30 June 2025			Differences		
		% of the net asset	% of the total asset	Currency	Total RON	% of the net asset	% of the total asset	Currency	Total RON	RON
I.	Total assets	112.9347%	100.0000%		2,541,078,143.26	114.1694%	100.0000%		2,426,802,883.36	(114,275,259.90)
1	Securities and money market instruments, out of which:	5.4627%	4.8369%		122,912,010.57	5.7633%	5.0481%		122,505,630.63	(406,379.94)
1.1	Securities and money market instruments admitted or within a trading place from Romania, out of which:	5.4627%	4.8369%		122,912,010.57	5.7633%	5.0481%		122,505,630.63	(406,379.94)
	1.1.1 listed shares traded in the last 30 trading days	5.0088%	4.4350%		112,698,738.78	5.1702%	4.5286%		109,898,726.51	(2,800,012.27)
	1.1.2 listed shares not traded in the last 30 trading days	0.4539%	0.4019%		10,213,271.79	0.5931%	0.5195%		12,606,904.12	2,393,632.33
	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:	82.6095%	73.1480%		1,858,748,179.41	82.9803%	72.6816%		1,763,843,010.12	(94,905,169.29)
	- shares not admitted at trading	82.6095%	73.1480%		1,858,748,179.41	82.9803%	72.6816%		1,763,843,010.12	(94,905,169.29)
	- 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%		-	-

Item	31 December 2024				30 June 2025				Differences
	% of the net asset	% of the total asset	Currency	Total RON	% of the net asset	% of the total asset	Currency	Total RON	RON
- rights not admitted at trading	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
- other financial instruments	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
4 Bank deposits, out of which:	12.1664%	10.7730%		273,747,720.77	5.4556%	4.7786%		115,966,378.25	(157,781,342.52)
4.1 bank deposits made with credit institutions from Romania	12.1664%	10.7730%		273,747,720.77	5.4556%	4.7786%		115,966,378.25	(157,781,342.52)
- in RON	12.1664%	10.7730%		273,747,720.77	5.4556%	4.7786%		115,966,378.25	(157,781,342.52)
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%		-	-
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:	12.6519%	11.2027%		284,669,374.48	12.5201%	10.9662%		266,131,432.55	(18,537,941.93)
- in RON	12.6438%	11.1956%		284,487,765.93	12.5201%	10.9662%		266,129,411.00	(18,358,354.93)
- in EUR	0.0002%	0.0001%	EUR 709.14	3,527.33	0.0000%	0.0000%	EUR 152.95	776.63	(2,750.70)
- in GBP	0.0001%	0.0001%	GBP 281.84	1,689.66	0.0000%	0.0000%	GBP 152.92	907.26	(782.40)
- in USD	0.0078%	0.0069%	USD 36,926.72	176,391.56	0.0000%	0.0000%	USD 77.93	337.66	(176,053.90)
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%		-	7.3009%	6.3948%		155,188,441.66	155,188,441.66
- in RON	0.0000%	0.0000%		-	7.3009%	6.3948%		155,188,441.66	155,188,441.66
- 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:	0.0442%	0.0394%		1,000,858.03	0.1492%	0.1307%		3,167,990.15	2,167,132.12
- 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	0.0015%	0.0014%		34,812.44	0.0000%	0.0000%		-	(34,812.44)
- other receivables	0.0349%	0.0309%		786,244.49	0.1492%	0.1307%		3,167,990.15	2,381,745.66
- in RON	0.0349%	0.0309%		786,244.49	0.1449%	0.1269%		3,079,753.02	2,293,508.53
- in EUR	0.0000%	0.0000%	EUR -	-	0.0000%	0.0000%	EUR -	-	-
- in USD	0.0000%	0.0000%	USD -	-	0.0044%	0.0038%	USD 20,364.45	88,237.13	88,237.13
- prepaid expenses	0.0078%	0.0071%		179,801.10	0.0000%	0.0000%		-	(179,801.10)

	Item	31 December 2024				30 June 2025				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	12.9347%	11.4533%		291,036,694.76	14.1694%	12.4109%		301,187,037.06	10,150,342.30
1	Liabilities in relation with the payments of fees due to the A.F.I.A.	0.1550%	0.1373%		3,488,474.19	0.3171%	0.2777%		6,740,168.71	3,251,694.52
	- in RON	0.0017%	0.0015%		37,896.91	0.0034%	0.0030%		72,396.72	34,499.81
	- in EUR	0.1534%	0.1358%	EUR	693,708.87	0.3137%	0.2748%	EUR	1,313,148.08	3,217,194.71
2	Liabilities related to the fees payable to the depository bank	0.0002%	0.0002%		4,547.69	0.0002%	0.0002%		4,821.31	273.62
3	Liabilities related to the fees payable to intermediaries	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	-	-
	- 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	0.0073%	0.0065%		165,213.18	0.0072%	0.0069%		167,444.09	2,230.91
8	Audit fees	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
9	Other Liabilities, out of which:	12.7722%	11.3093%		287,378,459.70	13.7929%	12.0811%		293,183,315.78	5,804,856.08
	- short term credit facility	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	- liabilities to the Fund's shareholders related to the dividend distribution	12.6425%	11.1945%		284,460,632.45	13.1432%	11.5120%		279,373,183.04	(5,087,449.41)
	- 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	0.0018%	0.0016%		40,110.00	0.0019%	0.0017%		40,110.00	-
	- VAT payable to State Budget	0.0042%	0.0037%		94,727.35	0.0002%	0.0002%		4,589.25	(90,138.10)
	- tax on dividends payable to State Budget	0.0434%	0.0384%		976,505.00	0.5731%	0.5020%		12,182,882.00	11,206,377.00
	- other liabilities out of which:	0.0803%	0.0711%		1,806,484.90	0.0745%	0.0652%		1,582,551.49	(223,933.41)
	- in RON	0.0731%	0.0648%		1,645,366.59	0.0732%	0.0641%		1,555,022.83	(90,343.76)
	- 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	0.0072%	0.0063%	GBP	26,875.00	0.0013%	0.0011%	GBP	4,640.00	(133,589.65)
10	Payables related to buybacks under settlement	0.0000%	0.0000%		-	0.0513%	0.0450%		1,091,287.17	1,091,287.17
11	Other liabilities	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
III	Net Asset Value (I - II)	100.0000%	88.5467%		2,250,041,448.50	100.0000%	87.5891%		2,125,615,846.30	(124,425,602.20)

Unitary Net Asset Value

Item	30 June 2025	30 June 2024	Differences
Net Asset Value	2,125,615,846.30	2,312,352,157.91	(186,736,311.61)
Number of outstanding shares, out of which:	3,047,153,852	3,491,825,289	(444,671,437)
Individuals	1,966,177,250	1,644,737,362	321,439,888
Companies	1,080,976,602	1,847,087,927	(766,111,325)
Unitary net asset value	0.6975	0.6622	0.0353
Number of shareholders, out of which:	22,605	22,525	80
Individuals	22,258	22,147	111
Companies	347	378	(31)

DETAILED STATEMENT OF INVESTMENTS AS AT 30 JUNE 2025

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-Jun-25	72,884,714	0.5	1.5000	109,327,071.00	10.21%	4.5050%	5.1433%	Closing Price
IOR SA	IORB	30-Jun-25	2,622,273	0.1	0.2180	571,655.51	0.36%	0.0236%	0.0269%	Reference price (Closing Price)
Total						109,898,726.51		4.5286%	5.1702%	

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	114.4357	10,213,271.79	71.89%	0.4209%	0.4805%	Value based on the valuation report as at 31 October 2024 (applying the income approach using the discounted cash flow method)
MECON SA	MECP	14-May-25	60,054	11.6	39.8580	2,393,632.33	12.51%	0.0986%	0.1126%	Value based on the valuation report as at 30 June 2024 (applying the asset-based approach)
ROMAERO SA	RORX	17-Jan-24	1,311,691	2.5	0.0000	0.00	18.87%	0.0000%	0.0000%	Valued at zero (insolvency)
Total						12,606,904.12		0.5195%	0.5931%	

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	98.968	2,291,999.91	20.00%	0.0944%	0.1078%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2024 (applying the income approach using the discounted cash flow method)
Aeroportul International Timisoara - Traian Vuia SA	32,016	10	231.1344	7,399,998.95	20.00%	0.3049%	0.3481%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2024 (applying the income approach using the discounted cash flow method)
CN Administratia Canalelor Navigabile SA	203,160	10	37.4245	7,603,161.42	20.00%	0.3133%	0.3577%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2024 (applying the income approach using the discounted cash flow method) - updated for significant subsequent events up to 31 December 2024
CN Administratia Porturilor Dunarii Fluviale SA	27,554	10	165.6381	4,563,992.21	20.00%	0.1881%	0.2147%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2024 (applying the income approach using the discounted cash flow method) - updated for significant subsequent events up to 31 December 2024
CN Administratia Porturilor Dunarii Maritime SA	21,237	10	136.4868	2,898,570.17	20.00%	0.1194%	0.1364%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2024 (applying the income approach using the discounted cash flow method) - updated for significant subsequent events up to 31 December 2024
CN Administratia Porturilor Maritime SA	6,466,226	10	55.3955	358,199,822.38	19.99%	14.7602%	16.8516%	Unlisted companies, in function	Value based on the valuation report as at 31 May 2025 (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 net asset	Company status	Valuation method
CN Aeroporturi Bucuresti SA	2,875,443	10	369.7864	1,063,299,715.38	20.00%	43.8148%	50.0231%	Unlisted companies, in function	Value based on the valuation report as at 31 May 2025 (applying the income approach using the discounted cash flow method)
Complexul Energetic Oltenia SA	5,314,279	10	1.1239	5,972,718.17	11.81%	0.2461%	0.2810%	Unlisted companies, in function	Value based on the valuation report as at 31 December 2024 (applying the income approach using the discounted cash flow method)
Plafar SA	132,784	10	23.6125	3,135,362.20	48.99%	0.1292%	0.1475%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2024 (applying the income approach using the discounted cash flow method)
Posta Romana SA	14,871,947	1	1.5013	22,327,254.03	6.48%	0.9200%	1.0504%	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	Valued at zero based on the 31 October 2024 analysis prepared with the assistance of the external independent valuer
Societatea Nationala a Sarii SA	2,011,456	10	129.5579	260,600,015.30	48.99%	10.7384%	12.2600%	Unlisted companies, in function	Value based on the valuation report as at 31 May 2025 (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	1.6	4.2584	25,550,400.00	100.00%	1.0528%	1.2020%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2024 (applying the income approach using the discounted cash flow method)
Total				1,763,843,010.12		72.6816%	82.9803%		

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	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*	267,005,374.87	11.0024%	12.5613%
BRD Groupe Societe Generale - amounts under settlement**	(919,898.15)	(0.0379%)	(0.0433%)
Banca Comerciala Romana	38,842.31	0.0016%	0.0018%
CITI Bank	1,112.04	0.0000%	0.0001%
ING BANK	1,837.91	0.0001%	0.0001%
Raiffeisen Bank	1,161.57	0.0000%	0.0001%
Unicredit Tiriac Bank	980.45	0.0000%	0.0000%
Petty cash	-	0.0000%	0.0000%
Total	266,129,411.00	10.9662%	12.5201%

*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 June 2025

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	152.95	5.0777	776.63	0.0000%	0.0000%
BRD Groupe Societe Generale	GBP	152.92	5.9329	907.26	0.0000%	0.0000%
BRD Groupe Societe Generale	USD	77.93	4.3329	337.66	0.0000%	0.0000%
Total				2,021.55	0.0000%	0.0000%

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

Bank deposits in RON

Name of the bank	Starting date	Maturity date	Initial value	Daily interest	Cumulative interest	Current value (RON)	Stake in Fondul Proprietatea total asset	Stake in Fondul Proprietatea net asset	Valuation method
Raiffeisen Bank	24-Jun-25	01-Jul-25	18,900,000.00	3,018.75	21,131.25	18,921,131.25	0.7797%	0.8901%	Bank deposit value cumulated with the daily related interest for the period from starting date
BRD Groupe Societe Generale	26-Jun-25	04-Jul-25	27,100,000.00	4,554.31	22,771.53	27,122,771.53	1.1176%	1.2760%	
CITI Bank	30-Jun-25	07-Jul-25	23,300,000.00	3,980.42	3,980.42	23,303,980.42	0.9603%	1.0963%	
BRD Groupe Societe Generale	30-Jun-25	01-Jul-25	23,310,694.46	3,399.48	3,399.48	23,314,093.94	0.9607%	1.0968%	
ING BANK	30-Jun-25	14-Jul-25	23,300,000.00	4,401.11	4,401.11	23,304,401.11	0.9603%	1.0964%	
Total			115,910,694.46		55,683.79	115,966,378.25	4.7786%	5.4556%	

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

Issuer	Symbol	Ex-dividend date	No. of shares held	Gross dividend	Net dividend to be received	Stake in Fondul Proprietatea total assets	Stake in Fondul Proprietatea net asset
CN Administratia Porturilor Dunarii Maritime SA	APDM	20-May-25	21,237	8.8436	187,812.17	0.0077%	0.0088%
CN Aeroporturi Bucuresti SA	AERB	26-May-25	2,875,443	35.8286	103,023,191.49	4.2452%	4.8467%
Societatea Nationala a Sarii SA	SNS	20-May-25	2,011,456	25.8407	51,977,438.00	2.1418%	2.4453%
				70.5130	155,188,441.66	6.3947%	7.3008%

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

Issuer	ISIN	Ex-dividend date	No. of preference rights	Theoretical value of the preference right	Total value	Stake in Fondul Proprietatea total assets	Stake in Fondul Proprietatea net asset
IOR SA	ROH7JVCY2S17	20-May-25	2,622,273	0.00	0.00	0.0000%	0.0000%
Total				0.00	0.00	0.0000%	0.0000%

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

Item	31 December 2023	31 December 2024	30 June 2025
Net Asset	2,350,138,487.51	2,250,041,448.50	2,125,615,846.30
NAV/share	0.6608	0.7029	0.6975

Leverage of Fondul Proprietatea

Method type	Leverage level	Exposure amount
a) Gross method	88.74%	1,886,350,662.30
b) Commitment method	100.00%	2,125,615,846.30

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

Daniel Naftali
Permanent representative

BRD Groupe Societe Generale

Victor Strambei
Manager Depository Department

Annex 3 Statement of persons responsible

Provisions of Law no. 24/2017, Article 67

Entity: Fondul Proprietatea SA

Address: Bucharest, District 1, 76–80 Buzesti street, 7th floor

Trade Registry Number: J40/21901/28.12.2005

Sole Registration Code: 18253260

The undersigned Daniel Naftali, Permanent Representative with Franklin Templeton International Services S.à r.l as Sole Director of Fondul Proprietatea SA and Cadaru Catalin, Fund Administration and Oversight Senior Manager, undertake the responsibility for the preparation of the condensed interim financial statements for the six-month period ended 30 June 2025 and confirm that:

- a) the condensed interim financial statements are in compliance with the applicable accounting regulations;
- b) the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Fondul Proprietatea SA;
- c) the Semi-Annual Report for the six-month period ended 30 June 2025 of Franklin Templeton International Services S.à r.l regarding the management and administration of Fondul Proprietatea SA for the same period includes an accurate overview of the developments and performance of Fondul Proprietatea SA.

Daniel Naftali

Permanent Representative

Catalin Cadaru

Fund Administration and Oversight Senior Manager

Franklin Templeton International Services S.À R.L, in its capacity of Sole Director and Alternative Investment Fund Manager of Fondul Proprietatea SA