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Fondul Proprietatea SA

Annual Sole Director's Report
for the Financial Year Ended
31 December 2025



This is a translation from the official Romanian version.

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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
AMEPIP	Agency for the Monitoring and Evaluation of the Performance of Public Enterprises
ANEVAR	National Association of Authorised Appraisers in Romania
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
CNAB	CN Aeroporturi Bucuresti SA
CNAPM	CN Administratia Porturilor Maritime SA
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
Directive (EU) no. 2023/2864	Directive (EU) 2023/2864 of the European Parliament and of the Council of 13 December 2023 amending certain directives as regards the establishment and functioning of the European single access point
EGM	Extraordinary General Shareholders Meeting
ESAP	European Single Access Point
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.
FY	Financial year
GDP	Gross Domestic Product
GDR	Global Depository Receipt
GEO	Government Emergency Ordinance
GEO no. 109/2011	GEO no. 109/2011 regarding corporate governance of state-owned companies

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. 31/1990	Law no. 31/1990, republished, with subsequent amendments and completions
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
Law no. 158/2025	Law no. 158/2025 for the amendment and completion of the GEO no. 109/2011 on corporate governance of public enterprises
Law no. 238/2025	Law no. 238/2025 on the implementation of certain aspects relating to the European Single Access Point providing centralized access to publicly available information relevant to financial services, capital markets and sustainability, as well as on the amendment and supplementation of certain normative acts
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 Charges 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
Regulation (EU) 2023/2859	Regulation (EU) 2023/2859 of the European Parliament and of the Council of 13 December 2023 establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability
Regulation no. 3/2025	FSA Regulation no. 3/2025 on the supervision of the implementation of international sanctions by entities regulated by the FSA
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
9M	Nine-month period

Sole Director's Letter to Shareholders

Dear Shareholders,

2025 was a year defined by continuity, disciplined execution, and a strong focus on safeguarding long-term value for Fondul Proprietatea's shareholders. Against the backdrop of an evolving market environment and ongoing uncertainties surrounding the Fund Manager selection process initiated in 2023, our commitment remained centred on stability, transparency, and maximizing returns for investors.

Throughout the year, the Sole Director operated under the constraints introduced in 2024, including the 10% cap on the buyback programme, which continued to limit the flexibility of the Discount Control Mechanism. Despite these limitations, we maintained an active approach to managing the Fund's liquidity, always prioritizing the best interests of our shareholders.

We continued to work closely with management teams and public authorities to promote good governance practices, ensure accountability, and support value-accretive strategic decisions. At the same time, the legal and regulatory landscape remained dynamic, requiring continuous monitoring and proactive engagement to protect the Fund's rights and its shareholders' interests.

Shareholder returns remained a central pillar of our mandate. In line with our long-standing commitment to distribute capital efficiently, the Fund maintained its focus on delivering cash distributions through dividends and buybacks, subject to market conditions and the applicable regulatory framework. The cumulative distributions made during 2025 reflect our disciplined approach to capital management and our continuous efforts to balance near-term liquidity needs with long-term value preservation.

In June 2025 the annual dividend of RON 0.0409 per share was paid to the shareholders of the Fund, with distributions to shareholders being further supplemented by a tender offer executed in September 2025 and an additional dividend distribution of RON 0.0122825494 per share paid in November 2025. Total distributions to shareholders during the year amounted to RON 281.0 million, representing a distribution yield close to 23% based on the Fund's average share closing price in 2025.

Also in February, shareholders approved the renewal of FTIS mandate as Sole Director and AIFM of the Fund starting 1 Apr 2026 for a duration of one year starting 1 April 2026 but not exceeding the date on which a new AIFM is appointed as a result of the finalisation of the selection process.

Looking ahead, our priority remains unchanged: to protect and unlock value for all shareholders through active portfolio management, robust oversight of portfolio companies, and a disciplined, transparent approach to corporate governance. We remain committed to navigating any upcoming challenges with the same determination and professionalism that have defined our tenure to date.

We would like to take this opportunity to express our sincere appreciation to the entire Franklin Templeton team for their exceptional dedication, resilience, and unwavering support throughout 2025. Their professionalism and continued focus on acting in the best interest of Fondul Proprietatea and its stakeholders remain fundamental to the Fund's success.

The Fund's performance in 2025

In 2025 the NAV recorded a total positive return of 22.4%, while the total return for the local shares was 94.7%. Since the start of the calculation of the Fund's performance¹, the NAV total return was 494.9%, while the total return for local shares was 1,339.9%.

¹ Source: BVB, Bloomberg, Sole Director calculations. The Performance Inception date for the NAV is 31 December 2010, for the Share Price is 25 January 2011.

On the BVB, the shares traded throughout the year at a discount¹ to NAV between 14.1% and 53.9%, ending the year at 21.7%. The average annual share price discount to NAV was 41.4%.

Outlook for 2026

According to the IMF², the tariff increases implemented by the United States in 2025 and the related trade tensions initially heightened global uncertainty. Although trade tensions have recently eased somewhat, they remain subject to flare-ups. Nevertheless, the broader world economy has shown resilience, supported by technology investment, accommodative financial conditions, and policy measures in major economies.

Global GDP growth¹ is estimated at 3.3% in 2025 and it is projected to maintain at the same level in 2026. According to INS³, **Romania's GDP growth** is estimated at 0.7% in 2025.

IMF projections¹ estimate **global inflation** at 4.1% in 2025 and expect this to drop to 3.8% in 2026. According to Eurostat⁴, the EU annual inflation rate was 2.3% in December 2025, down from 2.7% in December 2024. According with the same publication, in December 2025 Romania recorded the highest annual **inflation rate** in the EU, of 8.6%, up from 5.5% in December 2024.

According to the BVB⁵, the Romanian **capital market** increased by 49.3% in 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%. The rate has been maintained at this level in all subsequent policy decisions since then.

The **global economic outlook** continues to be subject to heightened uncertainty stemming from geopolitical tensions, including the escalation of the conflict in the Middle East. In particular, the ongoing conflict involving Iran has increased risks of disruption to energy markets, global trade routes, and financial conditions. A further intensification or broader regional spillover could adversely affect commodity prices—especially oil and gas—reignite inflationary pressures, weaken consumer and business confidence, and amplify volatility in global financial markets.

Maximising shareholder value in 2026

As we look to generate further value for the Fund's shareholders, we will continue to actively manage Fondul Proprietatea, collaborate closely with the Government and portfolio companies' management with the aim that companies in the Fund's portfolio adapt to the evolving economic context and continue the progress registered in the past years.

At the same, we are committed in continuing our efforts to advocate for the listing of the key portfolio companies on the Bucharest Stock Exchange, considering the significant long-term benefits to the companies in terms of increased transparency, improved governance and access to capital and unlock value for the Fund through increased liquidity and continuous market pricing.

While we note that for the first time in the Fund's history shareholders did not approve during the February 2026 GSM a buy-back program for the current year, we remain confident that a transparent and predictable capital allocation policy combined with continued promotion of the Fund and of the Romanian capital market are important principles aimed at allowing the Fund's NAV to be better reflected in the share price.

We are confident that our time tested, active, bottom-up investment process and active engagement with all stakeholders will allow us to continue delivering results for our shareholders and we look forward to the opportunities ahead for Fondul Proprietatea during 2026.

¹ Discount is calculated according to the IPS, based on the latest published NAV per share available for the day of the calculation.

² World Economic Outlook, July 2025, October 2025, February 2026 www.imf.org

³ National Institute of Statistics, Press release no. 79/ 6 March 2026

⁴ Eurostat – Euro Indicators Publication from 19 January 2026, www.ec.europa.eu/eurostat

⁵ BVB Monthly bulletin – December 2025, www.bvb.ro

2026 Annual General Shareholders Meeting

We would like to take this opportunity to invite shareholders to attend the 2026 Annual General Shareholders Meeting convened for 28 May 2026 (first convening) at JW Marriott Bucharest Grand Hotel, Salon D, 13 Septembrie Avenue no. 90, 5th District, Bucharest, Romania, starting with 11 AM Romania time, respectively 29 May 2026 (second convening) at JW Marriott Bucharest Grand Hotel, Constanta Ballroom, 13 Septembrie Avenue no. 90, 5th District, Bucharest, Romania, starting with 11 AM Romania time, where you will have the opportunity to receive the latest updates about the Fund. The agenda of the Annual General Shareholders Meeting and the supporting documentation are published on www.fondulproprietatea.ro.

Profit Appropriation Proposal

As per the annual audited IFRS financial statements, the Fund recorded an audited net profit of **RON 449.9 million** for the financial year ended 31 December 2025.

The Fund's Sole Director proposal, subject to shareholders' approval, for the appropriation of the net accounting profit for the 2025 financial year is published on the Fund's website as part of the 28/29 May 2026 Annual GSM documentation.



Daniel Naftali

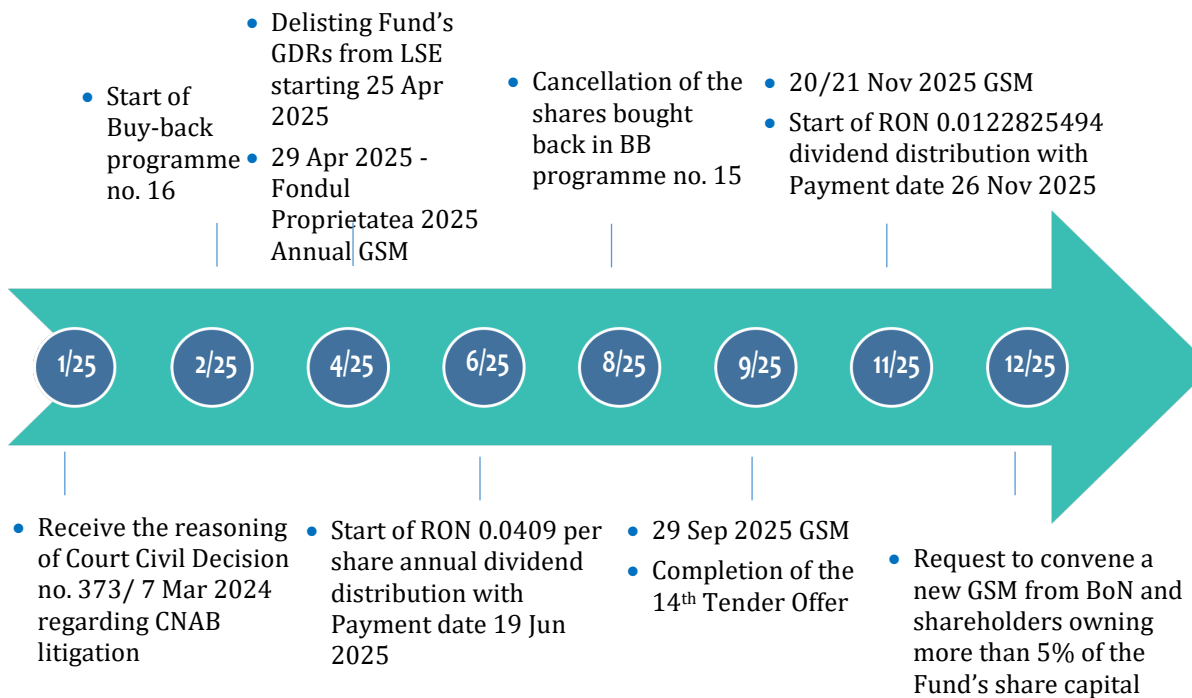
Portfolio Manager of Fondul Proprietatea SA
Permanent Representative of FTIS in relation to
Fondul Proprietatea SA



Calin Metes

Portfolio Manager of Fondul Proprietatea SA
Substitute of the Permanent Representative
of FTIS in relation to Fondul Proprietatea SA

Overview of 2025



Key 2025 highlights

- Continued efforts to promote the Fund and raise its visibility, as well as the visibility of the Romanian capital market, the local companies (listed or candidates for being listed), and of Romania in general, in online and in person conferences, roadshows and events;
- Delisting of the Fund's GDRs from LSE, finalised on 25 April 2025;
- Payment to shareholders starting 19 Jun 2025 of RON 0.0409 per share dividend distribution from 2024 annual profit (RON 126.9 million) – 95.0% collected until 31 Dec 2025;
- Payment to shareholders starting 26 Nov 2025 of RON 0.0122825494 per share dividend distribution from unallocated reserves (RON 36.2 million) – 86.9% collected until 31 Dec 2025;
- Completion of the 14th Tender Offer of 80 million shares, executed to accelerate the Buyback programme no. 16;
- Implementation of the Buyback programme no. 16 for 252.1 million shares (251.7 million in the form of shares and 0.4 million in the form of GDRs). The total value of the programme excluding transaction costs was RON 117.9 million;
- Main shareholders' approvals during 2025:
 - decrease of the legal reserve in line with the share capital decrease following the completion of cancellation of shares acquired within BB programme no. 15
 - coverage of negative reserves from Buy-back programme no. 14, of RON 774.8 million
 - set-up of other reserves to be used in the future for covering the negative reserves of RON 38.4 million incurred following the cancellation of shares acquired in BB programme no. 15
 - reclassification of RON 1.8 million in 2025 Budget from "Expenses related to listing of portfolio holdings" to "Fund Manager Selection related expenses"
 - cancellation of AIFM selection process launched as per OGM Resolution no. 9/ 25 Sep 2023
 - initiation by the BoN of a new selection process for an AIFM and Sole Director which shall not exceed 150 days, with associated costs limited to a maximum of RON 1.5 million. The proposed AIFM must have under management assets at least equal to the value of the Fund's assets; preparation by the BoN of a report on the first 3 offers, presentation of this to the GSM, and submission for GSM approval of the first 3 selected offers
 - renewal of FTIS mandate as Sole Director and AIFM of the Fund starting 1 Apr 2026. BoN was authorised to negotiate the duration and commercial terms of the mandate, and the draft management agreement prior to submitting it for GSM approval
 - authorisation of BoN Chairperson to represent the Fund and sign agreements and documents in connection with mandates granted by shareholders during 29 Sep 2025 GSM
 - appointing 4 new members in the BoN for a period of 3 years (Mr. Matej Rigelnik, Mr. Andrei-Octav Moise, Mr. Florian Munteanu, Mr. Istvan Sarkany) following the resignation of Mrs. Ileana - Lacramioara Isarescu and the revocation by the GSM of the mandates of Ms. Ilinca von Derenthall, Mr. Ciprian Ladunca, Mr. Nicholas Paris and Mr. Marius-Alin Andries
 - appointment of Ms. Kristine-Monica Bago as an independent member of the AVC (who is not also a member of the BoN), for a one-year term
 - various changes to the Constitutive Act of the Fund
 - appointment of Ernst & Young Assurance Services as Fund's financial auditor for FY 2026-2028 and additional audit fees for FY 2024

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.

As at 31 December 2025, Mr. Daniel Naftali and Mr. Calin Metes are Portfolio Managers of the Fund. Mr. Daniel Naftali is the Permanent Representative of the AIFM in relation to the Fund, while Mr. Calin Metes is the Substitute of the Permanent Representative of the AIFM in relation to the Fund.

During period 1 January - 31 March 2025, the Fund was managed by FTIS as its Sole Director and AIFM under the AIFM Directive and local implementation regulations, based on the Management Agreement approved by shareholders during 26 March 2024 GSM, in force between 1 April 2024 – 31 March 2025.

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, under the same commercial terms as the previous mandate.

For more information regarding the Sole Director and AIFM of the Fund after 31 March 2026 and the ongoing process carried out by the BoN for the selection of a new AIFM of the Fund, please see chapter *Company information - section Sole Director and AIFM* and chapter *Subsequent events*.

Capital markets

In the 2025, BVB recorded the lowest performance in EUR terms and second-best performance in local currency terms compared to the largest markets in Central Europe:

% Change in 2025	in local currency	in EUR
PX Index (Czech Republic)	61.03%	67.21%
WIG20 Index (Poland)	50.06%	51.80%
ATX (Austria)	51.77%	51.77%
BUX Index (Hungary)	39.16%	49.20%
BET-XT (Romania)	51.85%	48.50%

Source: Bloomberg

Trading on the Bucharest Stock Exchange

- 1.6 billion shares were traded on BVB in 2025, equivalent to 48.9% of the Fund's paid shares as at 31 December 2025;
- In 2025, the value of trading in the Fund shares was RON 661.7 million / USD 152.4 million¹ / EUR 129.8 million¹. The total trading value since the listing reached RON 34.4 billion / USD 7.9 billion¹ / EUR 6.8 billion¹;
- The average daily trading volume in 2025 was 6.4 million shares.

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

¹ based on exchange rates published by NBR on 31 December 2025

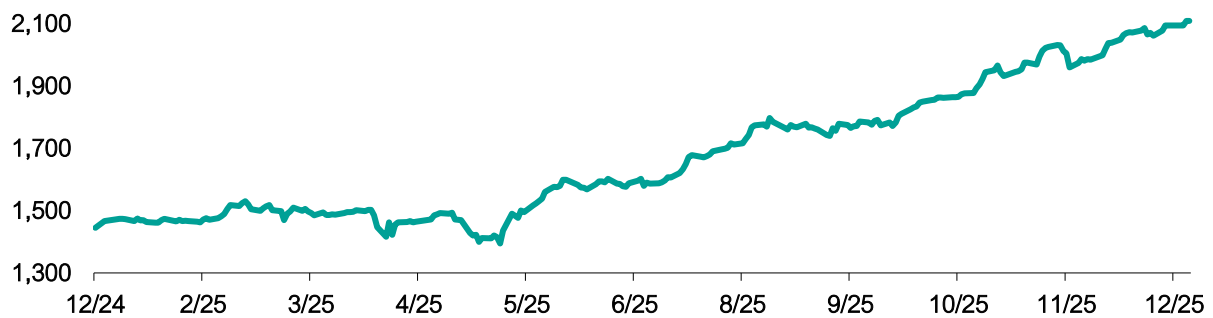
the cancellation of trading with respect to the GDRs from the Specialist Fund Segment of the Main Market of the LSE and of the termination of the Deposit Agreement dated 27 April 2015 in respect of the GDRs between the Fund and The Bank of New York Mellon.

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%.

BET-XT index evolution

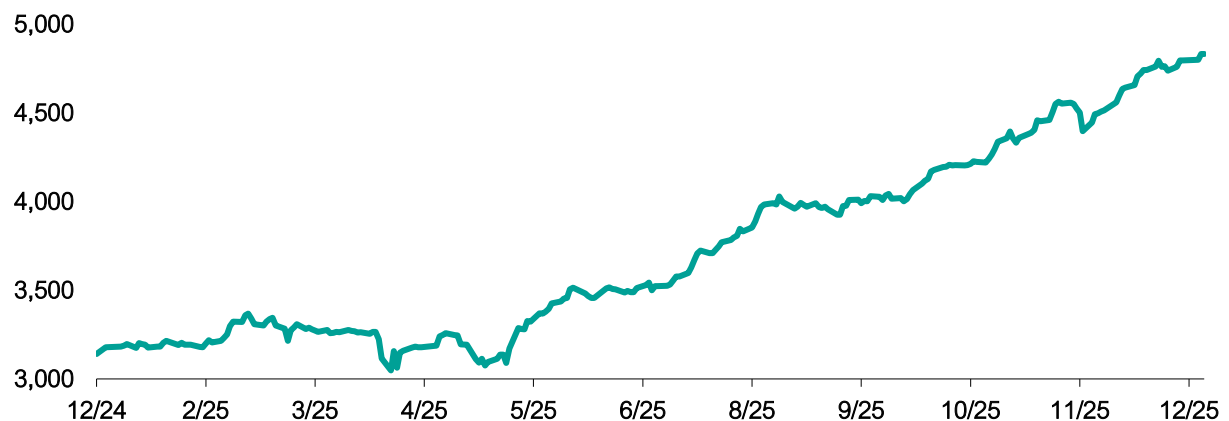
The BET-XT index, which reflects the performance of the top 30 most traded companies listed on BVB's Regulated Market, including the financial investment companies (SIFs), increased by 45.9% during 2025 compared to the end of 2024.



Source: Bucharest Stock Exchange

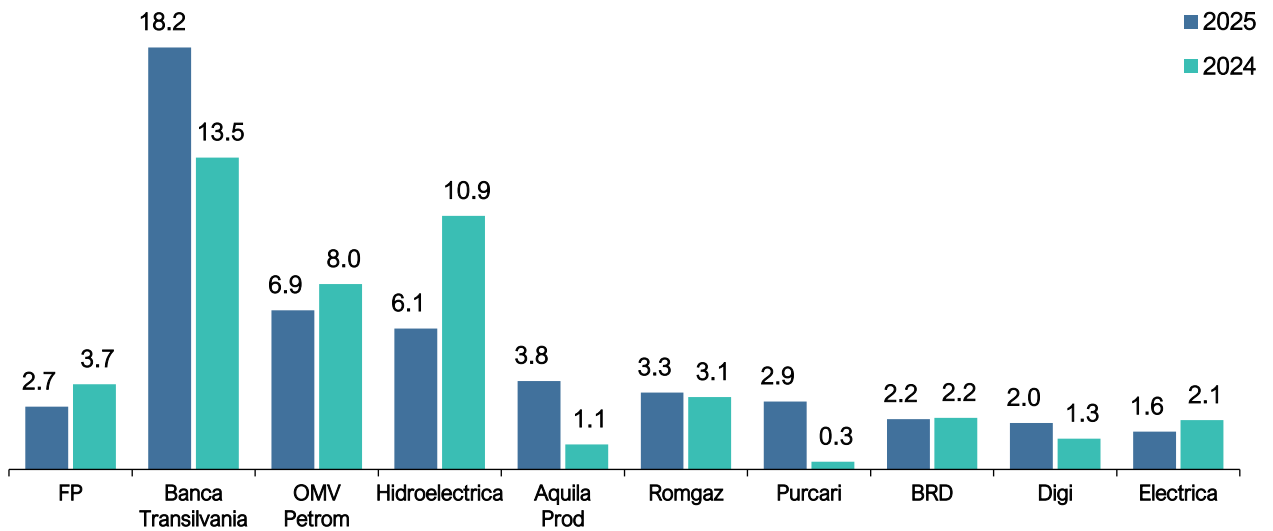
BET-BK index evolution

BET-BK index is a free float market capitalisation weighted index of the Romanian and foreign stocks listed on BVB's regulated market with the highest free-float market capitalisation adjusted with liquidity factors. BET-BK increased by 53.9% during 2025 compared to the end of 2024.



Source: Bucharest Stock Exchange

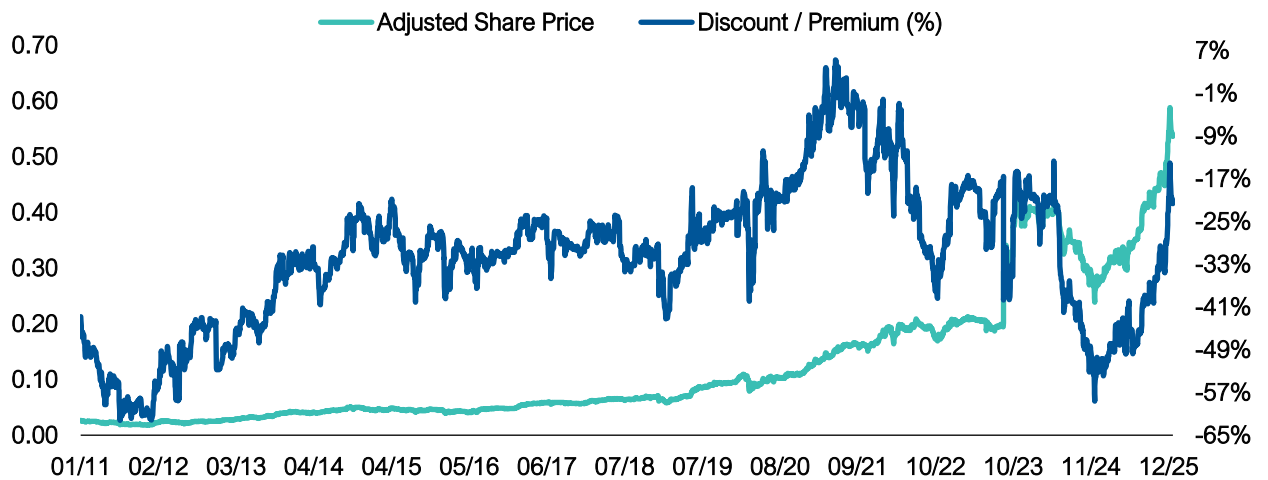
Average Daily Turnover (RON million)



Source: BVB, Bloomberg

Note: The values for FP and Electrica (in both 2024 and 2025) and Romgaz (in 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).

Key portfolio updates

During 2025 the Fund received gross dividends of RON 155.6 million from the portfolio companies.

For 31 December 2025 NAV, valuation updates in accordance with the International Valuation Standards were prepared for 13 holdings with the assistance of KPMG Advisory and Darian DRS, representing all material unlisted portfolio and 2 listed companies with low liquidity. The valuation date was 31 October 2025, and the reports were based on the financial data of the companies as at 30 September 2025.

As a result, the value of portfolio holdings for which valuation updates are prepared (unlisted and listed illiquid companies) increased by RON 221.2 million (+11.8%) in 31 December 2025 NAV compared to 31 December 2024 NAV.

In addition, for the preparation of the IFRS financial statements, the Fund has analysed the events that took place between 31 October 2025 (date of valuation reports for 31 December 2025 NAV) and the date when the IFRS financial statements of the Fund were authorised for issue and consequently has adjusted the value of 5 holdings in the final audited IFRS financial statements of the Fund for the year ended 31 December 2025, with a total net increase of RON 2.0 million compared to the valuation included in 31 December 2025 NAV.

For more details regarding the valuation updates during 2025, please see sections *NAV evolution* and *Key portfolio developments*.

Financial results summary

The table below presents the audited results of the Fund in accordance with IFRS for the financial year ended 31 December 2025, together with the comparatives for the financial year 2024:

RON million	31 December 2025 Audited	31 December 2024 Audited
Profit for the year ended	449.9	251.5
Equity investments	2,204.1	1,893.7
Shareholders' equity	2,344.5	2,162.1

Source: audited IFRS financial statements of the Fund

The main contributors to the profit recorded in 2025 were: (1) the net gain from equity instruments at fair value through profit or loss of RON 310.4 million (mainly generated by the valuation update for CN Aeroporturi Bucuresti SA) and (2) the gross dividend income from portfolio companies of RON 155.6 million.

Key financial highlights

The tables below show a summary of the Fund's financial performance for the last 3 years and during each quarter of 2025.

NAV ¹ and share price developments ²	Notes	2025	2024	2023
Total shareholders' equity at the end of the period (RON million)	h	2,344.5	2,162.1	2,342.2
Total shareholders' equity change in period (%)	h	+8.4%	-7.7%	-83.9%
Total NAV at the end of the period (RON million)	a	2,342.5	2,250.0	2,350.1
Total NAV change in period (%)		+4.1%	-4.3%	-83.9%
NAV per share at the end of the period (RON)	a	0.7944	0.7029	0.6608
NAV per share (RON) change in the period (%)		+13.0%	+6.4%	-74.3%
NAV per share total return in the period (%)	e	+22.4%	+17.0%	-2.4%
Share price as at the end of the period (RON)	b	0.5360	0.3150	0.5230
Share price low in the period (RON)	b	0.3190	0.2740	0.3810
Share price high in the period (RON)	b	0.5880	0.5330	2.1500
Share price change in the period (%)		+70.2%	-39.8%	-74.4%
Share price total return in the period (%)	f	+94.7%	-32.1%	+45.0%
Share price discount to NAV as at the end of the period (%)	d	-32.5%	-55.2%	-20.9%
Average share price discount in the period (%)	d	-41.4%	-34.2%	-22.8%
Average daily share turnover in the period (RON million)	c, g	2.7	3.5	12.9

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 FY 2025/ FY 2024/ FY 2023, respectively

NAV ¹ and share price developments ²	Notes	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Total NAV at the end of the period (RON million)	a	2,148.4	2,125.6	2,022.0	2,342.5
Total NAV change in period (%)		-4.5%	-1.1%	-4.9%	+15.8%
NAV per share at the end of the period (RON)	a	0.6813	0.6975	0.6857	0.7944
NAV per share total return in the period (%)	e	-3.1%	+8.9%	+0.1%	+15.9%
Share price as at the end of the period (RON)	b	0.3786	0.3605	0.4490	0.5360
Share price total return in the period (%)	f	+20.2%	+6.2%	+24.6%	+22.5%
Share price discount to NAV as at the end of the period (%)	d	-44.4%	-48.3%	-34.5%	-32.5%

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 Q1 2025/ Q2 2025/ Q3 2025/ Q4 2025, 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.

- e. 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
- f. 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
- g. Including the tender offers finalised by the Fund in March 2023/ December 2023/ September 2024/ September 2025
- h. The total shareholders' equity is based on the final audited financial results

Performance objectives

According to the IPS and the Management Agreements in force during 2025, 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

The Adjusted NAV per share as at 31 December 2025 was RON 0.8518 per share, 21.2% higher than the 31 December 2024 NAV per share of RON 0.7029.

NAV Objective	Amount RON	Details
Total NAV as at 31 Dec 2025	2,342,453,761	
Dividend distributions starting 1 Jan 2025	163,105,805	Gross dividend distributions: - RON 0.0409 per share as per 29 Apr 2025 GSM - RON 0.0122825494 per share as per 29 Sep 2025 GSM
Distribution fees for dividend distributions performed starting 1 Jan 2025	2,852,034	Distribution fee for dividend distributions with Payment dates 19 Jun 2025 and 26 Nov 2025
Distribution fees for buy-backs starting 1 Jan 2025	2,064,361	Distribution fee for Buy-back programme no. 16
Other costs related to buy-backs starting 1 Jan 2025	1,221,499	Fees related to buy-back programmes, excluding the distribution fees for buy-backs

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
Other costs related to dividends paid starting 1 Jan 2025	157,738	Central Depository and Paying Agent fees
Total Adjusted NAV as at 31 Dec 2025	2,511,855,197	
Number of paid shares, less own shares held as at 31 Dec 2025	2,948,687,179	
Adjusted NAV per share as at 31 Dec 2025	0.8518	
NAV per share as at 31 Dec 2024	0.7029	
Difference	0.1489	
%	+21.2%	

Source: Sole Director calculations

Discount Objective

During 2025, the discount to NAV was above 15% in 99% of the trading days.

	Discount at 3 Jan 2025	Discount at 30 Dec 2025	Average Discount 3 Jan – 30 Dec 2025	Discount Range 3 Jan – 30 Dec 2025
FP share	-50.8%	-21.7%	-41.4%	min -14.1%/ 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 Buyback programme no. 16 for 320 million shares for 2025, that was started on 3 February 2025.

On 28 July 2025, an application for the approval of a tender offer in relation to the Buy-back programme no. 16 was submitted to the FSA, under which the Fund intended to repurchase 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 37.2 million, has filed with the FSA on the same day the amendment to the offer documentation, reducing the number of shares up to 80 million shares. On 30 September 2025, the Fund finalised the tender offer in relation to the Buy-back programme no. 16 for 80 million shares.

During 26 February 2026 GSM, the Sole Director proposed the approval of Buy-back programme no. 17 for 294.8 million shares, to be implemented during 2026. However, this item was rejected by shareholders – 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.

Corporate actions

Annual dividend distribution from 2024 profit

The Sole Director proposed the distribution of a 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 31 December 2025 the shareholders collected 95.0% of the total dividend distribution.

Dividend distribution from 2024 unallocated retained earnings

In August 2025 a shareholders' group holding more than 5% of the Fund's share capital proposed the distribution of a dividend in gross aggregate amount equal to RON 37,200,000 from FP's 2024 unallocated retained earnings.

As a result of this, during 29 September 2025 GSM, the shareholders approved the distribution of a gross dividend of RON 0.0122825494 per share, with Payment date 26 November 2025, Ex-date on 3 November 2025 and Registration date on 4 November 2025. Until 31 December 2025 the shareholders collected 86.9% of the total dividend distribution.

Buy-back programmes

During 2025 the Fund completed the cancellation of shares acquired in **Buy-back programme no. 15** implemented during 2024 (on 13 August 2025) and acquired shares within the Buy-back programme no. 16, whose cancellation is included on the agenda of 28/29 May 2026 Annual GSM.

In 2025 the Fund bought back a total number of 252,097,337 own shares within **Buy-back programme no. 16** (out of which 251,650,337 ordinary shares and 447,000 ordinary shares corresponding to GDRs), representing 7.9% of the total issued shares as at 31 December 2025, for a total acquisition value of RON 117,872,433, excluding transaction costs. The total number of own shares (including shares corresponding to GDRs) held by the Fund as at 31 December 2025 is 252,097,337, having a total nominal value of RON 131,090,615.24 (RON 0.52 per share).

Buy-back programme no. 16 was carried out through daily transactions on BVB and LSE and one Tender Offer finalised by the Fund in September 2025, for 80 million shares.

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 maximum 120 million shares. Following the request received on 1 August 2025 from a number of shareholders owning together more than 5% of the share capital of the Fund, to convene the OGM of the Fund, with one of the items on the agenda being the approval a RON 37.2 million dividend distribution, the Sole Director reduced the number of shares to be repurchased to maximum 80 million shares.

The Sole Director decided to reduce the volume of the tender offer following the additional dividend proposal, given the available cash. The Sole Director is managing the liquidity of the Fund by prudently observing the cash required to cover on-going DCM measures (distributions), operating costs of the Fund for at least 12 months forward and other specific liquidity requirements that may arise (such as potential cash contributions to portfolio companies share capital, in line with the assumptions used in the valuations of the respective companies).

During 26 February 2026 GSM, the Sole Director proposed the approval of **Buy-back programme no. 17** for 294.8 million shares, to be implemented during 2026. However, this item was rejected by shareholders – for more details please see section *Subsequent events*.

Investor relations

In 2025, 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 year, we participated in one online investor conference and 3 in person conferences organised by international brokers and investment banks in London, Bucharest and Prague, where we discussed with representatives of 30 international asset managers. Furthermore, we had 12 meetings and 12 additional conference calls with analysts, brokers, current and

prospective investors interested in the latest developments regarding the Fund's corporate actions and its portfolio companies.

As part of our communication strategy to update the institutional investors and analysts covering the Fund on its financial results, the latest events and the portfolio companies, and the planned corporate actions, we organised the 2024 preliminary annual results and 2025 first half conference calls, with 15 analysts and investors participating on average to the calls.

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

Updates on BoN and consultative committee composition during 2025

The main updates regarding the Fund's Board of Nominees and consultative committees during 2025 are presented below:

- On 14 March 2025 the Sole Director announced the decision of the BoN to change the membership of the NRC by appointing Ms. Ileana-Lacramioara Isarescu in the position previously held by Mr. Alin-Marius Andries.
- On 5 May 2025 the Sole Director has been informed by Ms Ileana – Lacramioara Isarescu of her resignation from the BoN, as well as the reasons behind her decision to resign.
- On 12 August 2025 the Sole Director informed the market about the BoN decision to change the membership of the NRC starting with the same date, by appointing Mr. Alin-Marius Andries in the position previously held by Ms. Ileana-Lacramioara Isarescu. The AVC membership remained unchanged.
- During 29 September 2025 GSM, Mr. Istvan Sarkany was appointed as member of the BoN for a period of 3 years starting from the date of acceptance of this appointment (i.e. 3 October 2025).
- During the same GSM, the shareholders also approved the immediate revocation of the mandates of Ms. Ilinca von Derenthall, Mr. Ciprian Ladunca, Mr. Nicholas Paris and Mr. Marius-Alin Andries as members of the BoN.
- During 21 November 2025 GSM, Mr. Matej Rigelnik, Mr. Andrei – Octav Moise and Mr. Florian Munteanu were appointed as members of the BoN for a period of 3 years starting from the date of acceptance of this appointment (i.e. 21 November 2025).
- During the same GSM, the shareholders also approved the appointment of Ms. Kristine-Monica Bago as an independent member of the AVC (who shall not also be a member of the BoN), for a one-year term starting from the date of acceptance of such an appointment (i.e. 24 November 2025). Ms. Bago Kristine-Monica will also serve as Chairperson of the AVC.

Following the shareholders resolutions during 29 September 2025 GSM (when the mandates of 4 BoN members were revoked) and 20/21 November 2025 GSM (when only 3 candidates have obtained the statutory majority provided by the Fund's Constitutive Act to be elected as members of the BoN), as at 31 December 2025 there was a vacant position in the Board of Nominees.

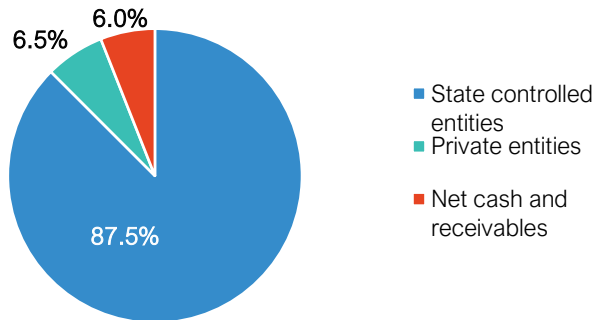
For more details regarding the Board of Nominees composition after the reporting date, please see section *Subsequent events*.

Portfolio

Portfolio structure

The equity exposure amounted to 94.0% of the Fund's NAV as at 31 December 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.

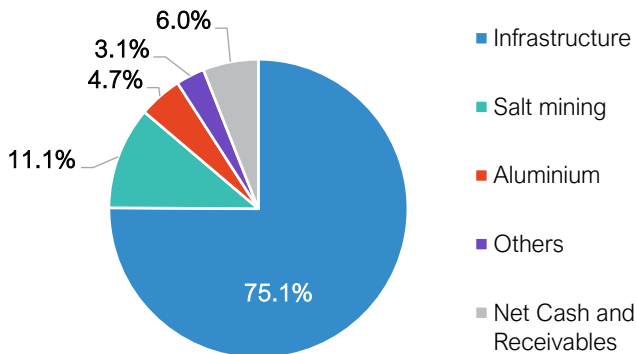
Portfolio structure – by controlling ownership



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

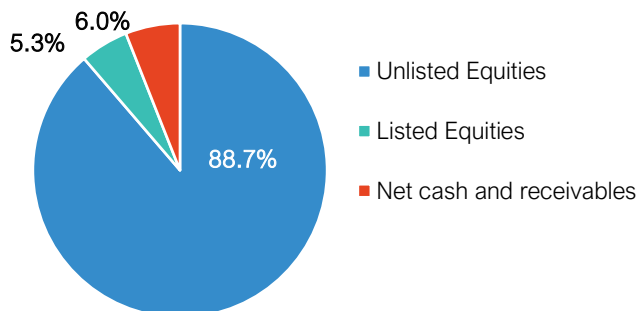
Source: Sole Director calculations
Note: % in total NAV as at 31 December 2025

Portfolio structure – by sector



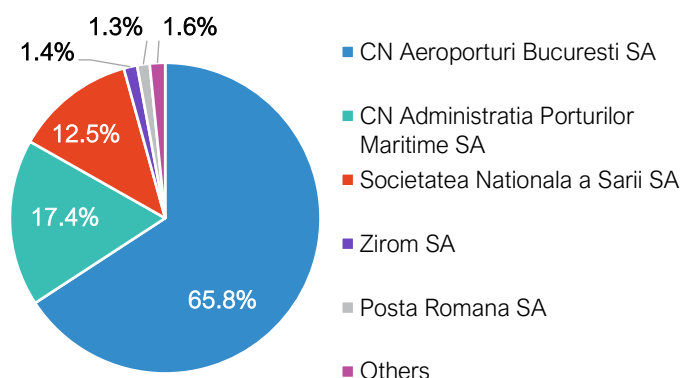
Source: Sole Director calculations
Note: % in total NAV as at 31 December 2025

Portfolio structure – by asset type



Source: Sole Director calculations
Note: % in total NAV as at 31 December 2025

Portfolio structure – unlisted holdings

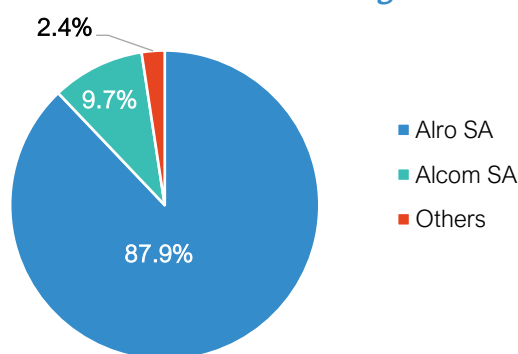


The largest unlisted holding is CN Aeroporturi Bucuresti SA (58.3% of the NAV)

Source: Sole Director calculations

Note: as at 31 December 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 (4.7% of the NAV)

Source: Sole Director calculations

Note: as at 31 December 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 2025, the Fund recorded **annual** dividends from 6 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 2025 is RON 155.6 million.

The table below presents details on the annual dividends declared by the portfolio companies during the year ended 31 December 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	0.6	May 2025	May - Aug 2025
Total	155.6		

Source: Fondul Proprietatea internal records

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

Updates regarding CN Aeroporturi Bucuresti SA

GSM for approving the repurchase of the Fund's minority stake in CNAB

On 5 December 2025, CN Aeroporturi Bucuresti SA communicated to the Fund the Convening Notice for the EGM for 8/ 9 January 2026, having on the agenda, among others, the approval of the intention to repurchase the minority stake held by Fondul Proprietatea SA in CN Aeroporturi Bucuresti SA.

The Sole Director of the Fund informed the market that it was not consulted by CNAB regarding a potential transaction of the shares held by the Fund in the company.

For more details regarding the repurchase of the Fund's minority stake in CNAB, please see section *Subsequent events*.

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 and the next hearing has been set for 8 October 2026.

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:

- 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 judgment of the court was communicated on 7 October 2025. The Fund filed an appeal, which was dismissed as unfounded on 25 February 2026. The court decision was received by the Fund on 17 March 2026 and is subject to second appeal that may be submitted until 20 April 2026;
- 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 Fund filed an appeal, which was dismissed as unfounded. The decision is final.

For full details on 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

As at 31 December 2025, the valuation of the Fund's interest in CN Aeroporturi Bucuresti SA is derived with support from an independent valuation service provider - KPMG Advisory SRL.

The valuation was performed in accordance with the Asset Valuation Standards - 2025 edition (SEV 2025) issued by ANEVAR, aligned with International Valuation Standards (IVS) and it is based on fair value concept required under IFRS 13 Fair Value Measurement.

The valuation uses the most recent financial and operational information available as at 30 September 2025, adjusted to reflect conditions at the valuation date (i.e. 31 October 2025), and relies on CNAB's business plan for 2025–2030, discussions with management, audited IFRS financial statements of the company and publicly available market data.

For the purpose of fair value estimation, the valuation considers the Income Approach (DCF – discounted cash flows) as the primary method, supporting the results recorded in the audited financial results for 2025 and in the 31 December 2025 NAV report of the Fund. The valuation report also includes a reasonableness cross-check of the results based on the Market Approach (comparable companies).

The Income Approach incorporates management's business plan and traffic projections for the existing operating assets supporting the business, which include assumptions regarding: passenger growth, capital expenditure execution, regulatory developments, and the impact of recent fiscal measures.

The Sole Director is monitoring the developments regarding the prospective second terminal that could create additional long-term value for CNAB. However, as at the date when this report is authorised for issue by the Sole Director, the company did not provide in sufficient detail and under relevant corporate approvals the necessary information for this project, such as: growth impact, capital expenditure phasing, financing structure, timing or other operating implications. Therefore, any potential impact could not be incorporated in the current valuation.

Estimated equity value of CNAB	Income Approach (DCF)
Sensitivity range	RON 9.4 – 10.9 billion
Equity value (base case)	RON 10.07 billion
Equity value corresponding to the Fund's holding (before discounts)	RON 2.01 billion
Fair value of the Fund's holding in CNAB	RON 1.37 billion

Source: CNAB valuation report prepared by KPMG Advisory, Sole Director computations

Due to the fact that the Income Approach yields a controlling and marketable equity value, adjustments are applied to reflect the characteristics of the asset held. In line with market-participant assumptions and consistent with IFRS 13 requirements, the Fund applies a **discount for lack of control** and a **discount for lack of marketability** to the equity value presented above, to arrive at the fair value of the minority, unlisted, and illiquid interest.

For the preparation of the IFRS financial statements, the Fund has also analysed the events that took place between the date of the valuation report (31 October 2025) and the date when the IFRS financial statements of the Fund were authorised for issue. These included updated market data and additional information received from the management of CNAB for full year 2025 (i.e. passenger traffic, financial results, updated budgeted figures) and no significant changes were identified compared to the valuation inputs used in the valuation report dated 31 October 2025.

On 9 January 2026 the GSM of CNAB passed a resolution according to which company intends to purchase the minority stake of 20% held by Fondul. The Fund has closely analysed all the data available at the date of this report on this potential transaction, and the conclusion was that, at the moment, there is not sufficient information available on the timing and structure of a potential transaction that would trigger an impact on valuation of CNAB.

As a result of the above the Sole Director concluded that there were no events and circumstances after the date of the valuation report (31 October 2025) that have a material impact on the valuation of CNAB.

Consequently, the fair value of the **Fund's holding in CNAB at 31 December 2025**, as reflected in the audited financial results for 2025 and in the 31 December 2025 NAV report of the Fund, amounts to **RON 1.37 billion** and is included within Level 3 equity investments from an IFRS perspective.

The Fund's holding in CNAB was valued using the same assumptions and valuation methodology as in the previous valuation reports prepared during prior periods. Assuming the share capital increase with the value of the lands at Baneasa Airport would be performed by CNAB 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. This assumption is reflected in the Fund's cash management process and decisions related to the available liquidity.

The Sole Director would analyse the future actions of CNAB 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.

Updates regarding CN Administratia Porturilor Maritime SA

Share capital increase at CN 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 Logistics 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.

For more details regarding the share capital increase of CN Administratia Porturilor Maritime SA, please see section *Subsequent events*.

Updates regarding Societatea Nationala a Sarii SA

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. After the approval of the Memorandum, Fondul initiated the necessary steps at the level of the Ministry of Economy and Salrom's management. However, to date, no calendar has been set for Salrom's listing.

Listing the company on the BVB would bring significant long-term benefits in terms of increased transparency, improved governance and access to capital.

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

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.

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 Telegdy 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.

Based on the provisions of Government Decision no. 530/2025 and Order no. 1433/ 13 June 2025 approved by the Ministry of Economy, Digitalization, Entrepreneurship and Tourism the company could apply for state aid to offset some of the losses incurred. According to the company, the necessary documentation to request reimbursement under these provisions has been filed, for a total amount of RON 76.5 million. On 23 December 2025 Salrom received the full amount requested.

Updates regarding CE Oltenia SA

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 "Restructuring Plan").

The Restructuring Plan for the period 2021-2026 (with an outlook to 2030) comprises non-reimbursable grants for the acquisition of greenhouse gas emission certificates and a combination of funds from Modernization Fund, state guarantee loans and capital increases (in cash as well as with the value of some lands) that will be used by CE Oltenia to develop the new investments alongside co-investors.

The main objective of the Restructuring Plan is the transition to producing energy with the lowest possible carbon emissions by investing into photovoltaic power plants and gas fired power plants while decommissioning generation capacity based on lignite.

Craiova spin-off

- 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 through a symmetric spin-off procedure, taking over the assets and liabilities of Craiova II Power Plant Branch and mirrors 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).

Lignite subsidiary

- CE Oltenia plans to 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.

Investment in new capacities based on natural gas and renewable energy sources

- CE Oltenia and OMV Petrom have agreed to establish 4 joint-ventures for developing 4 solar parks with a total capacity of 455 MW (subsequently upgraded to 550MW).
- CE Oltenia and Tinmar Energy have agreed to establish 5 joint-ventures for developing 4 solar parks with a total capacity of 280 MW and a 475 MW natural gas energy block.
- CE Oltenia and Alro have agreed to establish 1 joint-venture for developing an 850 MW combined cycle power plant on natural gas.
- The company together with the investment partners have set up special purpose vehicles (SPVs) for the development of the new investments and proceeded to operationalize the companies as per the Restructuring Plan.
- In November 2024 CE Oltenia, in collaboration with OMV Petrom, has completed the tender process for the construction of 3 of the 4 planned photovoltaic parks and has announced the chosen contractors for these lots. The process for the fourth park was finalised in February 2025. The total investment value for the 4 photovoltaic parks is over EUR 400 million, with approximately 70% financed through the Modernisation Fund. The first tranche of this financing, in amount of approximately EUR 16 million, was received in December 2025. The 4 parks are expected to become operational in 2026.
- For the remaining SPVs, the tender procedures for awarding the engineering, procurement and construction contracts are in advanced stages, with some nearing completion.

Share capital increases with the value of the lands and in cash

- 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 on 29 August 2023, by issuing 20,346,788 new shares at a nominal value of RON 10 per share in favour of the Ministry of Energy. Following the implementation of the share capital increase with the value of the lands and registration with the Trade Registry during September 2023, the Fund's stake in CE Oltenia decreased to 11.81% while Ministry of Energy's stake increased to 87.48%.
- In line with the Restructuring Plan that also entails an equity contribution in cash by the Romanian State via the Ministry of Energy in amount of EUR 180 million, CE Oltenia has conveyed a GSM on 28 November 2023 for the approval of the share capital increase. The share capital increase was approved during the GSM in November 2023, by issuing 27,036,159 new shares at a nominal value of 10 RON per share in favour of the Ministry of Energy and included a share premium in amount of RON 620,727,531. The Fund did not subscribe in the share capital increase. As at 31 December 2025 the Ministry of Energy has not paid the corresponding cash amount related to the share capital increase.

During 19 August 2025 GSM, the 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) was approved. The specialists from the institute will be integrated into CE Oltenia. The impact of the merger in FP's stake was marginal - Fondul maintains 11.81% of the share capital of CE Oltenia.

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 by the Company with the European Commission and relevant authorities involved.

Following Romania's formal notification in December 2025 of an amended restructuring plan for CE Oltenia, the European Commission opened, in February 2026, an in-depth investigation into the restructuring aid previously approved. The investigation concerns restructuring aid originally approved at EUR 2.66 billion, in light of Romania's request to increase the amount to EUR 2.86 billion and to extend the restructuring period by three years, until end-2029. The Commission will assess whether the amended plan remains compatible with EU State aid rules, including whether the duration of the restructuring, the level of additional aid and accompanying measures ensure proportionality and the restoration of the company's long-term viability.

As per the Restructuring Plan, the company should receive non-reimbursable grants for the CO2 certificates acquisition in amount of EUR 1,090 million, for the period 2021-2025. In 2025, CE Oltenia received approximately EUR 55 million (RON 279.1 million) in state aid for the purchase of greenhouse gas emission certificates (from a total of EUR 140 million/ RON 710 million as per the Restructuring Plan). During 2021 – 2024 the company received grants worth EUR 945 million (EUR 241 million in 2021, EUR 535 million in 2022, EUR 91 million in 2023 and EUR 78 million in 2024).

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.

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. GEO no. 21/2025 was approved by Law no. 166/2025.

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.

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

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 had to 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, AMEPIP is in charge of verifying the fulfilment of the legal criteria by the candidates proposed by minority shareholders.

Law no. 158/2025 for the amendment and completion GEO no. 109/2011

Law no. 158/2025, in force starting 20 October 2025, introduces significant amendments to GEO no. 109/2011 concerning the corporate governance of public enterprises.

It provides that boards shall be comprised of 3 members for boards under the unitary system. By exception, the board may be comprised of up to 5 members for enterprises exceeding EUR 7.3 million in turnover and employing at least 50 people.

For dualist system, supervisory boards must also consist of 3–5 members with at least 3 years of leadership experience.

The law tightens eligibility criteria for board candidates, mandating relevant executive experience. Members of the board of directors must have minimum 3 years of experience in managing companies, public enterprises, or private capital companies, or autonomous administrations – this is understood as holding any management position, as defined in Article 143 of Law no. 31/1990, as well as positions such as company/ autonomous administration administrator, general director/ deputy general director/ director/ deputy director of a company or autonomous administration, executive director, or economic/ financial director, as applicable, according to the Romanian Classification of Occupations.

Minority shareholders (holding at least 5% of the share capital of the company) may propose board candidates without going through the selection process, under cumulative voting. They must notify the company within 15 days of the GSM decision to initiate board selection procedure.

Candidate proposals must be submitted within 30 days, and AMEPIP must validate or reject them within 10 days. If rejected, shareholders may submit new proposals once, within 5 days. Law no. 158/2025 limits the number of public officials on boards to one and outlines a formal selection process for those nominated by public authorities. Public officials serving on multiple boards must choose one within 30 days of the law's enactment.

Top portfolio holdings

Name	Fund's stake (%)	Value as per 31 Dec 2025 NAV (RON mil)	% of NAV as at 31 Dec 2025
CN Aeroporturi Bucuresti SA	20.0%	1,366.5	58.3%
CN Administratia Porturilor Maritime SA	20.0%	361.6	15.4%
Societatea Nationala a Sarii SA	49.0%	259.9	11.1%
Top equity holdings		1,988.0	84.9%
Total equity holdings		2,202.1	94.0%
Net cash and receivables		140.4	6.0%
Total NAV		2,342.5	100.0%

Source: internal records of the Fund

CN Aeroporturi Bucuresti SA

Financial and operational results

RON million	2024*	2025**	%	Budget 2024	Budget 2025	%
Operating revenue	1,434.2	1,647.3	+14.9%	1,310.3	1,558.4	+18.9%
Operating profit	663.8	988.7	+48.9%	470.9	635.2	+34.9%
Net profit	608.8	762.9	+25.3%	408.7	541.8	+32.6%
Dividends	515.1	n.a.	n.a.	211.1	501.2	+137.4%

Source: Individual IFRS financial statements / Budgeted figures based on company's budgets as approved by shareholders. Based on the information received from the company, the 2026 Budget is not yet finalised.

* comparative amounts were restated

** based on preliminary unaudited financial results

Traffic reached a new historical peak in 2025 of 17.7 million passengers, an increase of 10.6% compared to 2024. Higher passenger traffic, increased fees and more beneficial contracts for commercial spaces, were the main positive drivers for improved profitability last year.

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 next court hearing is scheduled for 29 April 2026.

The board of the company has finalised the selection process for CEO and CFO positions. They appointed Mr Bogdan Mindrescu, former State Secretary in the Ministry of Transport, as CEO, and Mrs Madalina Rusu as CFO, who occupied a similar position in a subsidiary of Electrica Group. Their mandates will end in July 2028.

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	2024*	2025**	%	Budget 2024	Budget 2025	%
Operating revenue	522.0	494.0	-5.4%	577.7	491.6	-14.9%
Operating profit	242.7	106.9	-56.0%	139.7	81.4	-41.7%
Net profit	256.3	142.4	-44.4%	143.1	101.5	-29.1%
Dividends	-	n.a.	n.a.	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. Based on the information received from the company, the 2026 Budget is not yet finalised.

* comparative amounts were restated

** based on preliminary unaudited financial results

Traffic declined to 67.6 million tons in 2025, 13% lower y.o.y, in the context of a continued drop of volumes linked to Ukraine. Reported operating profitability dropped significantly y.o.y., but after adjusting for the one-off reversal of provision from 2024 (RON 112.9 million), the operating profit declined by 18% y.o.y.

Corporate governance

The selection process for full 4-year Board mandates was completed, and new members were appointed on 30 January 2026. Fondul Proprietatea appointed one member through cumulative voting, Mr. Catalin Diaconu.

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 and operational results

RON million	2024	2025*	%	Budget 2024	Budget 2025	%
Operating revenue	486.7	537.8	+10.5%	592.2	508.3	-14.2%
Operating profit	119.2	114.1	-4.3%	144.7	84.6	-41.5%
Net profit	111.3	118.9	+6.8%	130.0	77.4	-40.5%
Dividends	106.1	n.a.	n.a.	130.0	77.4	-40.5%

Source: IFRS financial statements / Budgeted figures based on company's budgets as approved by shareholders. Based on the information received from the company, the 2026 Budget is not yet finalised.

* based on preliminary unaudited financial statements

During 2025 Salrom registered operating revenues of RON 537.8 million, up 10.5% y.o.y., and net profit of RON 118.9, up 6.8% y.o.y. The results account for the RON 76.5 million aid for Praid Mine received by the company at the end of 2025.

Based on the provisions of Government Decision no. 530/2025 and Order no. 1433/ 13 June 2025 approved by the Ministry of Economy, Digitalization, Entrepreneurship and Tourism the company could apply for state aid to offset some of the losses incurred. According to the company, the necessary documentation to request reimbursement under these provisions has been filed, for a total amount of RON 76.5 million. On 23 December 2025 Salrom received the full amount requested.

Corporate Governance

On 22 July 2025, Ms. Simona Ochian and Mr. Valeriu Ionita resigned from their position of board members. During the GSM on 21 October 2025, a new Board was appointed. Fondul Proprietatea appointed two members through cumulative vote, respectively Mr. Voicu Cheta and Mrs Luiza Haschka, for an interim period of five months.

During the 27 January 2026 GSM shareholders approved the initiation of the selection procedure for candidates to fill in permanent positions of members of the Board of Directors as per the requirements of Corporate Governance GEO no. 109/2011.

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.

Bankruptcies, insolvencies, and reorganisations

The following companies from the Fund's portfolio are under bankruptcy, insolvency or reorganisation procedures:

- Romplumb SA (sole registration code 2206334) is a company under bankruptcy procedure starting with 15 September 2017, according to the decision issued by Maramures Court related to the file 729/100/2012;
- Simtex SA (sole registration code 324490) is a company under bankruptcy procedure starting with 26 June 2024, according to the decision issued by Bucharest Court related to the file 5768/3/2008;
- Salubriserv SA (sole registration code 7774360) is a company under bankruptcy procedure starting with 18 June 2021, according to the decision issued by Mures Court related to the file 108/1371/2015;
- World Trade Center Bucharest SA (sole registration code 364354) is a company under insolvency procedure starting with 8 June 2010, according to the decision issued by Bucharest Court related to the file 45619/3/2011;
- Romaero SA (sole registration code 1576401) is a company under insolvency procedure starting with 17 January 2024, according to the decision issued by Bucharest Court related to the file 39261/3/2023;
- Societatea Electrocentrale Craiova SA (sole registration code 46943133) is a company under insolvency procedure starting with 15 December 2025, according to the decision issued by Dolj Tribunal in case file no. 5014/63/2025.

The holdings in these companies are reflected at zero in the NAV reporting.

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

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 included in full in Annex 7 to this report and it 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 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 31 December 2025 the shareholders collected 95.0% of the total dividend distribution.

Dividend distribution from 2024 unallocated retained earnings

In August 2025 a shareholders' group holding more than 5% of the Fund's share capital proposed the distribution of a dividend in gross aggregate amount equal to RON 37,200,000 from FP's 2024 unallocated retained earnings.

As a result of this, during 29 September 2025 GSM, the shareholders approved the distribution of a gross dividend of RON 0.0122825494 per share, with Payment date 26 November 2025, Ex-date on 3 November 2025 and Registration date on 4 November 2025. Until 31 December 2025 the shareholders collected 86.9% of the total dividend distribution.

Distributions history

Key information on the Fund's distributions history is included in the table below:

Distribution ¹	Paid in	Gross distribution declared (RON)	Gross distribution per share (RON)	Total number of shares ²	Status of distribution payment (%)	Deadline for distribution collection as per Central Depository
Distributions performed before the start of FT mandates						
Dividend	Nov 2007	36,076,046	0.002533334	14,240,540,675		
Dividend	Sep 2008	89,997,678	0.0065960489	13,644,179,910		
Distributions performed during FT mandates						
Dividend	Oct 2010	1,124,316,804	0.08160	13,778,392,208		11 Oct 2013
Dividend	Jun 2011	432,729,046	0.03141	13,776,792,208		30 Jun 2014
Dividend	Jun 2012	507,658,517	0.03854	13,172,250,055		30 Jun 2015
Dividend	Jun 2013	536,437,206	0.04089	13,119,031,695		28 Jun 2016
Return of capital	Jul 2014	601,325,852	0.05000	12,026,517,031		25 Jul 2017
Return of capital	Jun 2015	534,322,868	0.05000	10,686,457,366		29 Jun 2018
Return of capital	Jun 2016	516,886,344	0.05000	10,337,726,877		27 Jun 2019
Return of capital	Mar 2017	480,543,496	0.05000	9,610,869,928		27 Sep 2020 ³
Return of capital	Jun 2017	443,502,747	0.05000	8,870,054,948		27 Sep 2020 ³
Dividend	Jun 2018	499,976,344	0.06780	7,374,282,346		29 Jun 2021
Dividend	Jul 2019	642,318,808	0.09030	7,113,165,099		1 Jul 2022
Dividend	Jul 2020	417,965,383	0.06420	6,510,364,222		1 Jul 2023 ⁴
Dividend	Jun 2021	427,147,747	0.07200	5,932,607,596		22 Jun 2024
Dividend	Aug 2021	413,480,183	0.07000	5,906,859,764		27 Aug 2024
Dividend	Feb 2022	351,240,772	0.06000	5,854,012,863		18 Feb 2025
Dividend	Jun 2022	774,290,893	0.12500	6,194,326,989		27 Jun 2025
Dividend	Jun 2023	269,837,832	0.05000	5,396,756,645	97.4%	6 Jun 2026
Dividend	Sep 2023	9,180,252,728	1.72250	5,329,609,743	97.2%	29 Sep 2026
Dividend	Jun 2024	212,452,479	0.06000	3,540,874,654	94.6%	7 Jun 2027
Dividend	Jun 2025	126,888,409	0.0409	3,102,405,966	95.0%	20 Jun 2028
Dividend	Nov 2025	36,217,396	0.0122825494	2,948,687,179	86.9%	27 Nov 2028

Source: Fondul Proprietatea internal records

1. The dividend distributions represent either annual dividends or special dividends, according to the definitions included in the Fund's Annual Cash Distribution Policy. Full details regarding each distribution are included on the Fund's website, in the section *Investor Relations - GSM Information*, at the corresponding GSM approving the distribution.

2. Number of shares defined as (1) the number of shares in issue, less (2) any unpaid shares and less (3) any treasury shares acquired via buy-backs (in the form of ordinary shares or GDRs corresponding to ordinary shares) at the registration date decided upon by the GSM approving the dividend distribution or return of capital.

3. Status of limitation was extended due to pandemic conditions; however, extended status of limitation occurred

4. Status of limitation was extended until 31 May 2026 due to certain legal provisions and procedures applied.

Buy-back programmes

Overview of share buy-back programmes

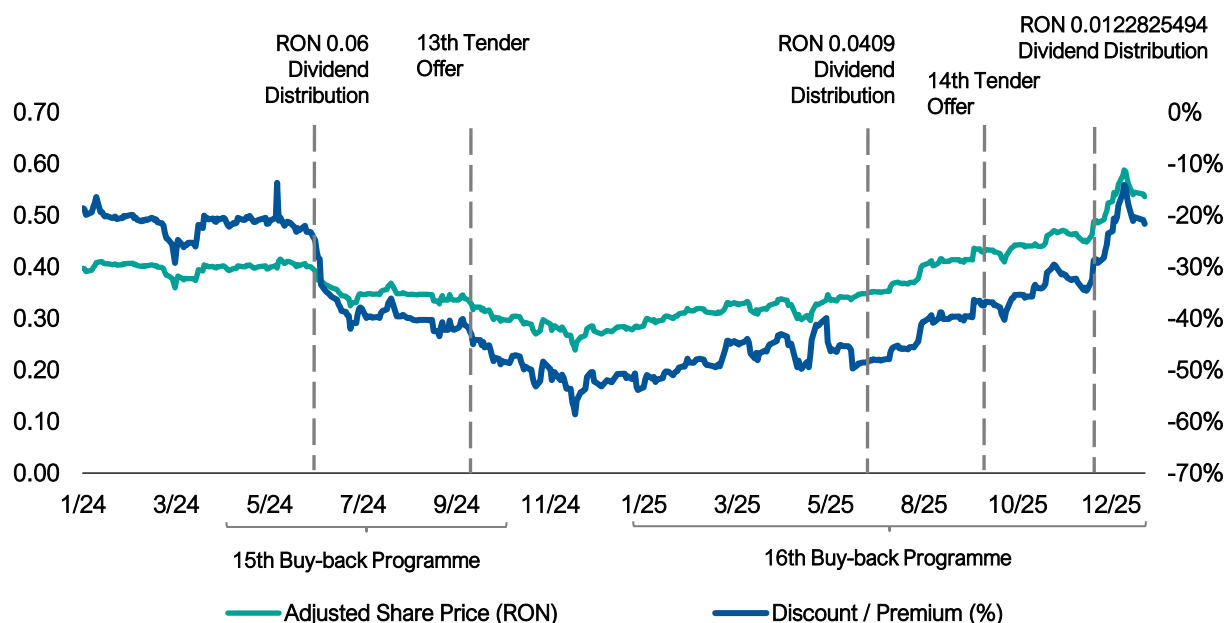
Progr.	Period	No. of shares (mil)	Tender offer	Status
1	May – Sep 2011	240.3	N/A	Completed
2	Apr – Dec 2013	1,100.9	Oct – Nov 2013	Completed
3	Mar – Jul 2014	252.9	N/A	Completed
4	Oct 2014 – Feb 2015	990.8	Nov – Dec 2014	Completed
5	Feb – Jul 2015	227.5	N/A	Completed
6	Sep 2015 – Sep 2016	891.7	Aug – 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
16	Jan – Dec 2025	252.1	Jul – Sep 2025	Share cancellation pending approval ¹
Total		10,829.5		

Source: Fondul Proprietatea internal records

1. The cancellation of the BB programme no. 16 shares is included on the agenda of 28/29 May 2026 Annual GSM and will be finalised after completion of all the related regulatory steps.

Regulatory limits regarding buy-back programmes

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



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 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	
Acquisitions	-	-	-	
Conversions	-	-	-	
15 th Cancellations	(355,642,723)	-	(355,642,723)	
Balance at 31 Dec 2025	-	-	-	-
Weighted average price ³	RON0.6074	USD6.9758	RON0.6083	
Balance at 1 Jan 2025	-	-	-	
Acquisitions	251,650,337	447,000	252,097,337	
Conversions	447,000	(447,000)	-	
16 th Cancellations	-	-	-	
Balance at 31 Dec 2025	252,097,337	-	252,097,337	7.9%
Weighted average price ³	RON0.4678	USD3.9224	RON0.4676	
All Total balance at 31 Dec 2025	252,097,337	-	252,097,337	7.9%

Source: Sole Director calculations

Notes:

- All information is presented based on the transaction date
- 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.
- 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 31 December 2025 is 252,097,337, having a total nominal value of RON 131,090,615.24 (RON 0.52 per share).

The 15th buy-back programme (implemented during 2024)

In 2024 the Fund bought back a total number of 355,642,723 own shares within the 15th buy-back programme (out of which 338,876,723 ordinary shares and 16,766,000 ordinary shares corresponding to GDRs), representing 10% of the total issued shares as at 31 December 2024, for a total acquisition value of RON 216,324,940, excluding transaction costs.

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.

The 16th buy-back programme (implemented 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 was done exclusively from own sources. Auerbach Grayson and Swiss Capital provided brokerage services for the 2025 buyback programme.

The Fund was 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 was carried out, calculated in accordance with applicable law. The first trade took place on 3 February 2025 on BVB.

In 2025 the Fund bought back a total number of 252,097,337 own shares within Buy-back programme no. 16 (out of which 251,650,337 ordinary shares and 447,000 ordinary shares corresponding to GDRs), representing 7.9% of the total issued shares as at 31 December 2025, for a total acquisition value of RON 117,872,433, excluding transaction costs.

The cancellation of own shares acquired within Buy-back programme no. 16 is included on the agenda of 28/29 May 2026 Annual GSM.

Tender Offer within the 16th buy-back programme

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. 15 for maximum 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 items 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.

On 4 September 2025, the FSA approved the Fund's application for the public tender offer. The subscription period was from 11 September to 25 September 2025.

On 25 September 2025 the Sole Director announced the results of the tender offer: total subscriptions of 1,439,109,880 shares representing 1,798.89% of the offer. Under the tender offer, the Fund repurchased 80,000,000 shares at a purchase price of RON 0.6975 per share. The shares' Trade Date was 26 September 2025, and the settlement date was 30 September 2025.

The 17th buy-back programme (for 2026)

During 26 February 2026 GSM, the Sole Director proposed the approval of Buy-back programme no. 17 for 294.8 million shares, to be implemented during 2026. However, this item was rejected by shareholders – 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 31 December 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.

The table below presents details on Buy-back programme no. 16 impact in equity during 2025:

Buy-back programme no. 16 impact on equity during 2025	All amounts in RON
Acquisition cost at trade price (excluding transaction costs)	117,872,433
Total costs directly related to transaction, out of which:	3,285,860
Distribution fees paid to the Sole Director in relation to buy-backs ¹	2,064,361
FSA fees	595,148
Legal advisory fees	349,616
Stock Exchange fees (BVB and LSE)	142,198
Brokerage fees	117,244
Central Depository fees	12,628
Other professional fees	4,665
Total impact on equity of buy-back programme no. 16 during 2025	121,158,293

Source: Sole Director calculations

1. FTIS distribution fees related to buy-backs which are recognised directly in equity together with the acquisition cost of the underlying shares

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.

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 corresponding to the treasury shares repurchased within the 15th buy-back programme was recorded on 13 August 2025, when the cancellation was finalised, following the completion of all legal and regulatory steps.

The table below shows the movement of the negative reserves during 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
Negative reserve arising on the cancellation of 15 th buy-back programme shares (recorded on 13 Aug 2025) according to EGM Resolution no. 9/ 2 Dec 2024	(38,353,766)
Closing balance of the negative reserve at 31 December 2025 (audited)	(38,353,766)

Source: Sole Director calculations

During the 28/29 May 2026 Annual GSM the Sole Director is proposing the coverage of the **negative reserves** in amount of RON 38,353,766 related to the 15th buy-back programme using the dedicated reserve set up for this purpose during the 29 April 2025 Annual GSM.

The table below shows additional details on the estimated **positive reserve** that would arise upon the cancellation of the treasury shares in balance as at 31 December 2025:

Positive reserve to arise on cancellation of the treasury shares in balance as at 31 December 2025		Buy-back programme no. 16
Number of shares to be cancelled	(1)	252,097,337
Total costs (including transaction costs and other costs), representing the accounting value of the shares to be cancelled in the future (RON)	(2)	121,131,611
Correspondent nominal value (NV = RON 0.52 per share) (RON)	(3)=(1)*NV	131,090,615
Estimated positive reserve to be booked on cancelation (RON)	(4)=(3)-(2)	9,959,004

Source: Sole Director calculations

The estimated positive reserve for the shares acquired within Buy-back programme no. 16 during 2025 is of RON 9,959,004, assuming a nominal value of shares of RON 0.52 per share.

The Sole Director included on the agenda of 28/29 May 2026 Annual GSM the cancellation of the 252,097,337 treasury shares repurchased within the 16th buy-back programme. However, the final reserve for Buy-back programme no. 16 will be recorded at share cancellation date - after all legal and regulatory steps related to the cancellation are completed (FSA endorsement, registration with the Trade Registry, etc.). The Sole Director will propose the implementation of the relevant corresponding measures in respect of the positive reserve as reflected in the annual audited financial statements of the Fund during a subsequent GSM.

Financial Information

Evolution of liquid assets

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

RON million	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024
Current accounts ¹	249.5	280.3	280.2	271.2	285.5
Bank deposits	149.1	165.5	102.8	259.4	273.7
Dividend receivables	-	-	155.2	-	-
Total liabilities	(258.5)	(312.9)	(299.0)	(279.1)	(291.2)
Liquid assets less liabilities	140.1	132.9	239.2	251.5	268.0
Net Assets Value	2,342.5	2,022.0	2,125.6	2,148.4	2,250.0
% Liquid assets less liabilities in NAV	6.0%	6.6%	11.3%	11.7%	11.9%

Source: Sole Director calculations

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

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).

During Q3 the decrease in caption liquid assets less liabilities was mainly related to the tender offer within Buyback programme no. 16, finalised in September 2025, and the recording of RON 0.0122825494 per share dividend distribution from unallocated reserves, approved during 29 September 2025 GSM.

Cost ratios of the Fund

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

The **Ongoing Charge Ratio** represents the annual percentage impact in the total net assets of the Fund of the costs incurred by the Fund, irrespective if these are recorded in profit or loss or directly in equity, and it is calculated as the total 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, impairment adjustments, fair value adjustments, expenses with provisions and income tax expenses/ income tax recognised in OCI.

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 **Total Expense Ratio** of the Fund has the same calculation methodology for the 12-months period ended 31 December, therefore the TER recorded the same value as OCR for both 2025 and 2024.

The table below presents the TER of the Fund for the financial years 2025 and 2024, together with details regarding most important components:

Details on TER by reference to average NAV	FY 2025	FY 2024
Average NAV for the period (RON)	2,125,490,789	2,245,136,575
Total costs charged to the Fund (RON), out of which:	38,654,797	43,975,780
- expenses recognised in profit or loss	35,368,937	37,012,737
- costs recognised to OCI	3,285,860	6,963,043
Total Expense Ratio (%) , out of which:	1.82%	1.96%
- recurring operating expenses (%)	0.63%	0.64%
- Sole Director administration fees (except for buybacks) (%)	0.92%	0.87%
- buy-back costs (including distribution fee for buybacks) (%)	0.15%	0.31%
- significant one-off costs ¹ (%)	0.11%	0.14%
Transaction costs (%)	0.00%	0.00%
Total Expense Ratio including transaction costs (%)	1.82%	1.96%

Source: Sole Director calculations

1. Mainly comprise: GDR delisting costs and costs with the selection of a new Fund Manager, including the additional audit reports prepared in 2025 by the financial auditor and internal auditor of the Fund, based on the requests received from shareholders owning more than 5% of the Fund's share capital.

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 audited financial statements for the year ended 31 December 2025, prepared in accordance with IFRS accounting standards as adopted in EU and applying the FSA Norm no. 39/2015 with subsequent amendments, are included in full in Annex 1 to this report. Also, the independent auditor's report for the IFRS financial statements of the Fund for 2025 is published on the Fund website together with the Annual Sole Director's Report for 2025 in the section *Investor Relations – Financial Results – Annual reports*.

The captions in the Statement of Financial Position and Statement of Comprehensive Income presented in the Annual Report may differ from the ones included in the audited IFRS financial statements due to other regulatory requirements. This section provides an overview of the Fund's financial position and performance for the year ended 31 December 2025. The analysis presents the main developments during 2025, for more details regarding the comparative amounts from previous period, please see the corresponding section in *Annex 1 Audited IFRS Financial Statements*.

On 15 January 2026 the Fund published the Preliminary results report for 2025 together with 31 December 2025 NAV. Subsequent to publication, the Fund has analysed the events between 31 October 2025 (date of valuation reports for 31 December 2025 NAV) and the date when the IFRS financial statements of the Fund were authorised for issue and consequently has adjusted the value of 5 holdings in the final audited IFRS financial statements of the Fund for the year ended 31 December 2025, with a total net increase of RON 2.0 million compared to the valuation included in 31 December 2025 NAV.

Statement of Financial Position

RON million	31 Dec 2025 Audited	31 Dec 2024 Audited	31 Dec 2023 Audited	31 Dec 2025 vs. 31 Dec 2024 (%)
Cash and current accounts	0.1	0.2	0.1	-50.0%
Distributions bank accounts	249.4	285.2	547.5	-12.6%
Deposits with banks	149.2	273.7	191.4	-45.5%
Equity investments	2,204.1	1,893.7	1,784.4	+16.4%
Non-current assets held for sale	-	-	432.6	-
Other assets	0.2	0.4	-	-50.0%
Total assets	2,603.0	2,453.2	2,956.0	+6.1%
Payable to shareholders	249.0	284.5	546.5	-12.5%
Other liabilities and provisions	9.5	6.6	67.3	+43.9%
Total liabilities	258.5	291.1	613.8	-11.2%
Total equity	2,344.5	2,162.1	2,342.2	+8.4%
Total liabilities and equity	2,603.0	2,453.2	2,956.0	+6.1%

Source: Audited IFRS financial statements of the Fund

The **liquid assets** of the Fund during 2025 included mainly term deposits with banks. All instruments were denominated in RON, with maturities of up to one year. The distribution bank accounts can only be used for payments to shareholders for past dividends not yet collected.

The most important **cash inflows** during 2025 were related to the dividends received from portfolio companies (RON 155.6 million), while the most significant **cash outflows** were related to net dividends paid (RON 167.1 million) and the acquisition of treasury shares within the 16th buyback programme, including the tender offer settled in September 2025 (RON 117.9 million).

The increase in **Equity investments** of RON 310.4 million during 2025 was mainly related to CN Aeroporturi Bucuresti SA (RON 332.6 million fair value increase) partially offset by Societatea Nationala a Sarii SA (RON 37.6 million fair value decrease). The updated valuation reports were prepared with the assistance of KPMG Advisory and Darian DRS and these generally have the valuation date of 31 October 2025 and use financial information from portfolio companies at 30 September 2025.

At 31 December 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 219.7 million). At the same date the **Other liabilities and provisions** caption mainly comprises the Q4 2025 fees payable to the Sole Director (RON 5.6 million) the withholding tax due for dividends (RON 1.1 million) and the corporate income tax due to state budget (RON 1.0 million).

Capital expenditure comprises the value of the licenses, the implementation costs and the updates of the accounting and reporting software, net of the accumulated amortisation. During 2025 the Fund incurred capital expenditure costs of RON 40,251.

Statement of Comprehensive Income

RON million	2025 Audited	2024 Audited	2023 Audited
Net gain/ (loss) from equity investments at fair value through profit or loss	310.4	109.3	(1,612.3)
Gross dividend income	155.6	145.8	962.8
Interest income	20.5	34.1	157.5
Net gain from non-current assets held for sale	-	-	61.2
Net gain from other financial instruments at fair value through profit or loss	-	-	1.2
Other (expenses)/ income, net ¹	(0.1)	1.1	(0.1)
Net operating income/ (loss)	486.4	290.3	(429.7)
Administration fees recognised in profit or loss	(19.6)	(19.6)	(202.2)
Other operating expenses	(15.8)	(17.4)	(265.1)
Operating expenses	(35.4)	(37.0)	(467.3)
Finance costs	-	-	(0.1)
Profit/ (Loss) before income tax	451.0	253.3	(897.1)
Income tax recognised in profit or loss	(1.1)	(1.8)	-
Withholding tax on the dividend income	-	-	(7.0)
Profit/ (Loss) for the year	449.9	251.5	(904.1)
Other comprehensive income	-	-	-
Total comprehensive income for the year	449.9	251.5	(904.1)

Source: Audited IFRS financial statements of the Fund

1. This caption mainly includes the net foreign exchange gain/ (loss), annual income from the depositary bank of the Fund's GDRs 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.

The **net gain from equity investments at fair value through profit or loss** during 2025 was mainly generated by the valuation of the holding in CN Aeroporturi Bucuresti SA (RON 332.6 million gain), netted by the fair value decrease of Societatea Nationala a Sarii SA (RON 37.6 million loss).

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 **interest income** in 2025 was mainly generated from short term deposits and distribution bank accounts held with banks.

The **total income tax** recorded by the Fund for 2025 amounts to RON 3.8 million and includes amounts booked both in profit or loss (RON 1.1 million) and in equity - related to the reduction in legal reserve following the share capital decrease recorded on 13 August 2025 (RON 1.8 million) and as a result of the transfer to retained earnings of uncollected dividend distributions' balance, for which the statute of limitation occurred (RON 0.9 million).

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

RON million	2025 Audited	2024 Audited	2023 Audited
Recognised in profit or loss	19.6	19.6	202.2
Base fee	16.8	15.9	36.8
Distribution fee for dividends	2.8	3.7	165.4
Recognised in other comprehensive income	2.1	3.8	35.7
Distribution fee for buy-back programmes	2.1	3.8	35.7
Total administration fees	21.7	23.4	237.9

Source: Audited IFRS financial statements of the Fund

The increase in **base fee** during 2025 compared to 2024 is mainly due to the higher market capitalisation of the Fund as a result of the increase in FP share price. The **distribution fee for dividends** is lower in 2025 compared to 2024 as a result of the lower total gross dividends distributed. The **distribution fee for buy-backs** has decreased in 2025 compared to 2024 due to lower number of shares bought back.

Other operating expenses

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

RON million	2025 Audited	2024 Audited	2023 Audited
Legal and litigation assistance expenses	3.4	4.0	2.7
BON remunerations and other related expenses	2.0	2.1	2.7
FSA monthly fees	2.0	2.1	8.8
Fund Manager selection expenses – first selection process	1.8	1.9	-
Portfolio valuation services	1.2	1.4	1.3
Financial auditor's fees	1.2	1.0	0.8
GSM organisation expenses	0.8	0.7	0.3
Tax compliance and tax advisory	0.6	0.6	0.4
Investors' relations expenses	0.4	0.5	0.8
Regulatory and compliance expenses	0.3	0.5	0.5
Public relations services	0.3	0.5	0.9
GDR delisting expenses	0.2	0.6	-

RON million	2025 Audited	2024 Audited	2023 Audited
Intermediaries and other transaction related fees	-	-	242.9
Other operating expenses	1.6	1.5	3.0
Total operating expenses	15.8	17.4	265.1

Source: Audited IFRS financial statements of the Fund

Fund Manager selection expenses

During 25 September 2023 GSM the shareholders approved that the Fund's BoN should launch a transparent and competitive selection procedure for the appointment of a new fund manager.

During 27 September 2024 GSM the shareholders approved the selection advisory budget of approx. RON 3.8 million which included the estimated amounts to be used by the BoN during 2024 and 2025 with professional services for the organisation of the selection process of the Fund's fund manager following the shareholders' decision during 25 September 2023 GSM. These expenses could include, among others: financial advisory services, legal advisory services and other consultancy services. Depending on the actual expenses incurred in 2024, the remaining unused budget balance representing fund manager selection related expenses to be used by the BoN was to be incorporated into the corresponding caption of Fondul 2025 Budget.

The table below presents a summary of the actual vs budgeted analysis for the fund manager selection expenses for the year 2024:

Fund Manager selection related expenses	Budget 2024	Budget 2024 allocation	Actual 2024 (Audited)	Actual 2024 vs. Budget 2024 allocation	
	RON	RON	RON	RON	%
Advisory fees for Deutsche Numis	3,196,678	1,687,604	1,687,756	151	0%
Other advisory fees	591,977	203,862	201,495	(2,368)	0%
Total	3,788,655	1,891,467	1,889,251	(2,217)	0%

Source: Sole Director calculations

During 2 December 2024 GSM, the shareholders approved the 2025 Annual Budget. The total approved fund manager selection related expenses for the entire project were RON 3,788,655, out of which RON 1,891,467 were estimated to be incurred during 2024 while the remaining unused balance of RON 1,897,188 were incorporated into the corresponding caption of the Fund's 2025 Budget.

During the 29 April 2025 Annual GSM of the Fund the shareholders approved 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.

During 29 September 2025 GSM the shareholders approved the cancellation of the AIFM and Sole Director selection process, launched following the OGM Resolution no. 9/ 25 September 2023.

The table below presents a summary of the actual vs budgeted amounts of the fund manager selection expenses for the entire project (until 29 September 2025).

Fund Manager selection related expenses	Budget 27 Sep 2024	Additional budget 29 Apr 2025	Total selection budget	Actual expenses at 29 Sep 2025	Actual vs. budgeted fund manager selection expenses	
	GSM	GSM			RON	%
	RON	RON	RON	RON	RON	
Advisory fees for Deutsche Numis	3,196,678	-	3,196,678	2,976,095	(220,583)	-6.9%
Other advisory fees	591,977	-	591,977	591,977	-	0.0%
Additional budget as per 29 April 2025 GSM	-	1,776,611	1,776,611	100,594	(1,676,017)	-94.3%
Total	3,788,655	1,776,611	5,565,266	3,668,666	(1,896,600)	-34.1%

Source: Sole Director calculations

The difference between the total selection expenses previously reported by the Fund until 31 August 2025, as included in the supplementary audit report prepared by the Fund's financial auditor and published on 18 September 2025, of RON 3,600,529 and the total selection related expenses until 29 September 2025 of RON 3,668,666 is mainly related to the advisory services provided by Filip SCA and Smartlink and the travel expenses incurred by BoN during September.

Statement of Cash Flows

RON million	2025 Audited	2024 Audited	2023 Audited
Cash flows from operating activities			
Dividends received (net of withholding tax)	155.6	145.8	955.8
Interest received	20.5	34.7	156.9
Amounts collected from the depository Bank of the Fund's GDRs	0.1	0.6	1.2
Sole Director fees	(19.6)	(41.2)	(231.7)
Suppliers and other taxes and fees paid	(15.4)	(19.4)	(50.3)
WHT payments performed	(12.7)	(58.6)	(702.4)
Income tax paid	(3.3)	(12.5)	-
Proceeds from disposal of equity investments	-	432.6	9,931.2
Net proceeds from transactions with treasury bills and bonds	-	-	1.2
Intermediaries and other transaction related fees	-	-	(242.9)
Subscriptions to share capital increase of portfolio companies	-	-	(2.7)
Other payments performed/amounts received, net	(1.4)	(0.9)	(1.7)
Net cash flows from operating activities	123.8	481.1	9,814.6
Cash flows from financing activities			
Transfer to distribution accounts	(150.3)	(196.4)	(8,687.1)
Acquisition cost of treasury shares	(117.9)	(216.4)	(1,829.5)
Amounts related to distributions for which statute of limitation occurred	19.6	15.1	-
Dividends transferred corresponding to shareholders having specific legal status	-	(0.9)	(18.4)
Payment of fees related to the short-term bank loans	-	-	(0.1)
Net cash flows used in financing activities	(248.6)	(398.6)	(10,535.1)
Net (decrease)/ increase in cash and cash equivalents	(124.8)	82.5	(720.5)
Cash and cash equivalents at the beginning of the year	273.8	191.3	911.8
Cash and cash equivalents at the end of the year	149.0	273.8	191.3

Source: Audited IFRS financial statements of the Fund

Related party transactions

During the reporting period, all the transactions of the Fund with related parties were entered into in the ordinary course of business and under normal market conditions (i.e. at arm's length and applying the fair value principle).

For more details regarding the Fund's transactions with related parties, please see *Annex 1 Audited IFRS Financial Statements*.

Analysis of budget vs actual expenses

The 2025 Budget of Income, Expenses and Capital Expenditure of the Fund was prepared based on IFRS as endorsed by the EU and was approved by shareholders during 2 December 2024 GSM. It contains the main categories of budgeted income and expenses of the Fund. According to the main assumptions of the 2025 Budget, there are certain categories of income and expenses which cannot be budgeted, such as: foreign exchange gains and losses, fair value changes, gains or losses and other expenses related to disposal of financial instruments, and other items of income/ expenses.

During the year ended 31 December 2025, the actual expenses from current activity amount to RON 35.4 million, below the budgeted expenses by RON 6.9 million. The positive variance is mainly due to the lower actual than budgeted expenses incurred for the following captions: Fund Manager selection, legal and litigation assistance, BoN related expenses, taxes, fees and commissions. This was partially offset by the higher than budgeted distribution fees for the Sole Director, due to the fact that the dividend distributions performed during the year were not budgeted.

For more details, please see *Annex 5 Actual versus Budget Analysis for the year ended 31 December 2025*.

Company Information

The company

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 Bucharest Trade Register under number J2005021901408/28.12.2005 and has the sole registration code 18253260.

The main domain of activity of the Fund according to the Nomenclature of Economic Activities – NACE Rev. 3 and the Fund's Constitutive Act is NACE Code 643 – Activities of investment funds; mutual funds and other similar financial entities. The main activity is NACE Code 6431 - Activities of money market funds and non-money market funds and the second activity is NACE Code 6432 - Mutual funds and similar financial institutions.

Following the NACE Code update, the Trade Registry has changed the format of the registration number of the Fund - the new registration number is J2005021901408. Consequently, the format of the European Unique Identifier (EUID) has also changed to: ROONRC.J2005021901408.

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

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

Since 25 January 2011, the Fund's shares have been listed on BVB. During the period 29 April 2015 – 24 April 2025 the Fund's GDRs issued by The Bank of New York Mellon as GDR Depositary, having the Fund's shares as support, have been listed on the Specialist Fund 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.

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

The list of countries where the Fund has notified Commission de Surveillance du Secteur Financier – Luxembourg (CSSF) for marketing activities under AIFM Directive includes Denmark, the United Kingdom, France, Germany, Austria, and Romania. Fondul Proprietatea does not carry out any distribution activities in respect of its own shares and does not use distributors for this purpose.

History

The Fund was incorporated by the Romanian State in 2005 as a joint stock company with the initial purpose of providing compensation to individuals whose real property assets were abusively confiscated by the Romanian State during the communist regime, and which could no longer be returned in kind to those individuals.

The Fund's initial Constitutive Act was enacted by Government Decision no. 1481/2005 regarding the incorporation of Fondul Proprietatea, which established that the Fund would be an undertaking for collective investments organised as a closed-end investment company. However, the Fund was officially registered by CNVM (currently FSA) as a closed-end investment company only in 2010 by CNVM Decision 34/18 August 2010.

The initial sole shareholder of the Fund was the Romanian state. Since the Fund's launch, the shares have been awarded by the National Authority for Property Restitution to individuals entitled to receive compensation from the Romanian State and who chose to convert their compensation entitlements into shares issued by the Fund.

Starting 15 March 2013, the date when GEO no. 4/2012 regarding the application of certain provisions of Law no. 247/2005 entered into force, the compensation process was suspended. In January 2015, Law no. 10/2015 entered into force, confirming that the Romanian State will no longer use the compensation scheme for Fondul Proprietatea shares in the future.

The Romanian state's participation in the share capital of the Fund as at 31 December 2025 was of 370,456,198 shares, representing 11.57% of the Fund's subscribed and paid-up share capital.

Investment policy

The Fund's investment objective as set out in the IPS is the maximisation of returns to shareholders and the increase of the net asset value per share, through investments predominantly in Romanian equities and equity linked securities, subject to legislation and regulations in force.

The Fund's IPS is drafted by the AIFM with the observance of the investment limits set forth in the applicable laws and regulations and in the Constitutive Act. The current IPS was approved by shareholders during the 15 December 2021 EGM and entered into force on 1 April 2022.

The IPS sets the prudential rules concerning the investment policy of the Fund and presents the investment goals, objectives, and the decision-making process for selecting investments in accordance with the investment objectives. The Fund's investment restrictions are included in the IPS, which is published on the Fund webpage in the section *About the Fund – Fund overview*.

Shareholder Consultation Initiative conducted by the BoN

On 1 December 2025, the BoN of the Fund has informed the Sole Director that, at the Board's meeting on 1 December 2025, the BoN approved the launch of the Shareholder Consultation Initiative and the publication of the Communication Strategy Presentation and of the Shareholder Questionnaire. On 23 December 2025 the BoN of the Fund has requested the Sole Director the publication of the results of the Shareholder Consultation Initiative.

All the documentation received on this topic is available on the Fund's website in the section *Press centre - News*.

On 29 December 2025, the Sole Director received from the Board of Nominees a request to convene the GSM of Fondul Proprietatea having on the agenda, among other points:

- presentation by the BoN on the outcomes of the shareholder questionnaires and the engagement process carried out with shareholders; and

- approval to mandate the Fund Manager to implement the conclusions of the shareholders consultation in the Fund's Investment Policy Statement. The IPS will be presented for approval to the Fund's shareholders in accordance with the Constitutive Act of the Fund.

On 12 January 2026 the Sole Director of the Fund convoked the 26 February 2026 GSM, having at points 1 and 2 on the EGM agenda the two items presented above.

For more details regarding shareholders resolutions during 26 February 2026 GSM, please see section *Subsequent events*.

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 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.

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, i.e. 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 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.

The management of the Fund after 31 March 2026

During **29 September 2025** GSM the shareholders approved the renewal of the mandate of FTIS as Sole Director and AIFM of Fondul Proprietatea, starting with 1 April 2026. The renewal of the mandate was conditional upon FTIS and the Fund executing a management agreement covering the new mandate before 1 April 2026. The Board of Nominees was 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.

On **25 November 2025**, the Board of Nominees of the Fund sent a Letter to the Sole Director through which they requested clarification of the Sole Director's intentions regarding the future management of the Fund.

On **5 December 2025**, FTIS communicated to the market that it has responded to the letter addressed to the Sole Director by the Board of Nominees on 25 November 2025. FTIS has expressed its willingness to enter into direct negotiations with the Board of Nominees for a new 4-year mandate and has communicated to the Board of Nominees its key proposed commercial terms for consideration and assessment.

On **29 December 2025**, the Sole Director received from the Board of Nominees a request to convene the GSM of Fondul Proprietatea having on the agenda, among other points: (a) the appointment of FTIS as Sole Director and AIFM of the Fund for a duration of 4 years starting with 1 April 2026 and until 31 March 2030, inclusive and (b) the commercial terms along with the execution of the new Management Agreement in the form described in the supporting documentation.

For more details on the latest developments and shareholders' resolutions regarding the management of the Fund after 31 March 2026, please see section *Subsequent events*.

Selection and appointment of a new AIFM of the Fund

First selection process - as per 25 September 2023 GSM

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 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. The BoN stated that, 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., a Luxembourg-based AIFM in partnership with Impetum Management SRL, a Romanian asset management advisory firm. The BoN emphasised that the announcement represented only the next stage in the selection process, any decision to put forward a preferred candidate to a vote in the OGM being subject to satisfactory completion of due diligence and successful negotiation of terms. The BoN also announced that it would 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.

On **1 August 2025**, FTIS received from a number of shareholders of the Fund holding together 5.27% of the Fund's share capital, a request to convene the OGM having on the agenda, among others, the approval of the cancellation of the selection process carried out based on the OGM Resolution no. 9/ 25 September 2023.

On **13 August 2025** the 29 September 2025 GSM convening notice was published, having on the OGM agenda the following Item 5, included on the base of BoN request:

- i. the appointment of IRE AIFM HUB S.a R.L., being the candidate proposed by the BoN further to the selection procedure carried out based on the OGM Resolution no. 9/ 25 September 2023, as Sole Director and AIFM of Fondul Proprietatea, for a duration of 4 years starting with 1 April 2026, under an advisory model, with Impetum Management S.R.L., a Romanian advisory firm, as advisor;
- ii. the objectives proposed for the new AIFM;
- iii. the main remuneration conditions proposed for the new AIFM;
- iv. the terms of, along with the execution of, the Management Agreement as included in the supporting documentation.

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.

During **29 September 2025 GSM** the shareholders approved the cancellation of the selection process carried out based on the OGM Resolution no. 9/ 25 September 2023. As a result, Item 5 on the OGM agenda related to the appointment of IRE AIFM HUB S.a R.L. as Sole Director and AIFM of the Fund was not submitted to a vote.

Additional information on the first 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: *(1) Investor Relations – Investor reports/ (2) Investor Relations - GSM Information (3) Press center - News/ (4) FAQs*.

Second selection process - as per 29 September 2025 GSM

On **5 September 2025** the convening notice of 29 September 2025 GSM in final form was published, including all the additional items received from shareholders owning above 5% of the Fund's share capital, containing the following points related to the second selection process:

- **Item 2 on the OGM agenda:** 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;

Item added by a number of shareholders holding together 5.27% of the Fund's share capital

- **Item 14 of the OGM agenda, alternative to item 2** - approval of the initiation by the BoN of a new, simplified, transparent, and efficient selection process for an AIFM and Sole Director of Fondul Proprietatea, selection process which shall not exceed 150 days, with associated costs limited to a maximum of RON 1,500,000. The BoN will include in the procedure of the selection process an eligibility criteria pertaining to which the proposed AIFM and Sole Director must have under management assets which are at least equal to the value of Fondul Proprietatea's assets.

Item added by shareholder Ministry of Finance

- **Item 3 on the OGM agenda:** approval of the preparation by the BoN 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 3 selected offers;

Item added by a number of shareholders holding together 5.27% of the Fund's share capital

During **29 September 2025 GSM** the shareholders approved items 14 and 3 on the OGM agenda, in respect of the second selection process.

For more updates regarding the selection process for a new Fund Manager of Fondul Proprietatea, please see section *Subsequent events*.

Shareholder structure information

Shareholder structure as at 31 December 2025

Shareholder categories ¹	% of subscribed and paid-up share capital	% of total voting rights	% of total exercisable voting rights ²
Romanian private individuals	47.24%	47.24%	51.27%
Romanian legal entities	14.01%	14.01%	15.21%
Foreign legal entities	12.54%	12.54%	13.63%
Ministry of Finance	11.57%	11.57%	12.56%
Foreign private individuals	6.76%	6.76%	7.33%
Treasury shares ³	7.88%	7.88%	-

Source: Depozitarul Central SA

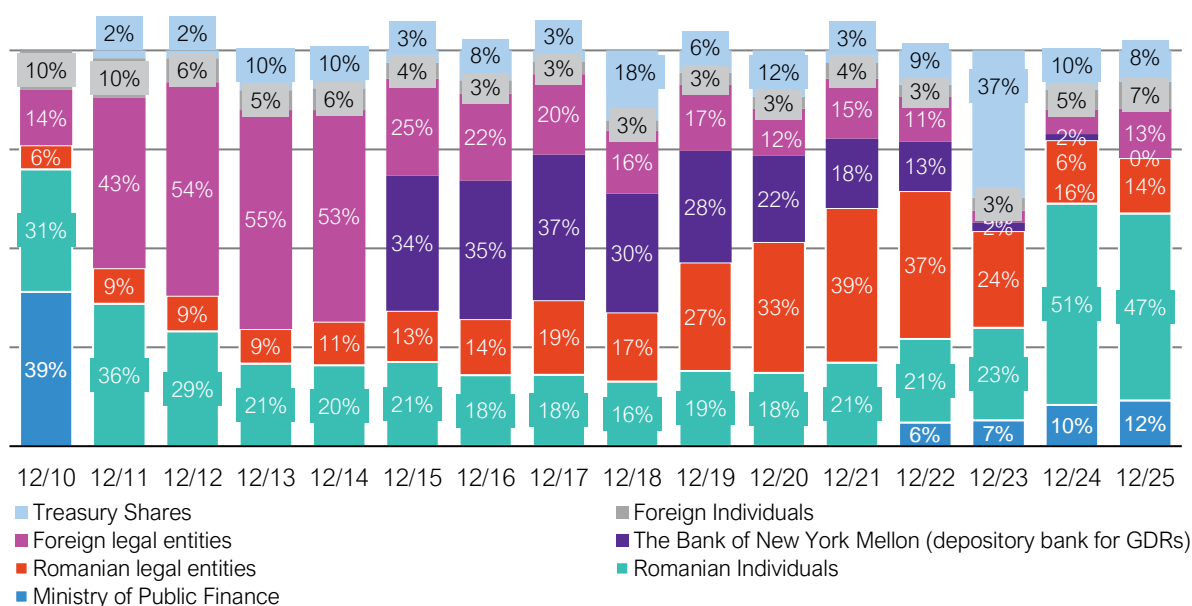
1. Information provided based on settlement date of transactions.

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. 252,097,337 treasury shares acquired in 2025 within Buyback program no. 16 (either in the form of shares and/ or GDRs).

As at 31 December 2025, the Fund had 21,658 shareholders. The total number of voting rights was 3,200,784,516, out of which a total of 2,948,687,179 exercisable voting rights.

Evolution of the shareholder structure



Source: Depozitarul Central SA, based on issued share capital until 31 July 2011, based on paid share capital starting 31 July 2011

Ownership disclosures submitted by shareholders during the reporting period

According to Art. 71(1) of Law no. 24/2017, if a shareholder acquires or disposes of shares from an issuer listed on a regulated market, having attached voting rights, the shareholder must notify the issuer about the percentage of voting rights held following the acquisition or disposal in discussion, when the percentage reaches, exceeds or falls below one of the thresholds: 5%, 10%, 15%, 20%, 25%, 33%, 50% and 75%. As a result of this legal requirement during 2025 the Fund has received the ownership disclosures presented below.

For details regarding the ownership disclosures submitted by shareholders after the end of the reporting period, please see section *Subsequent events*.

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

On 12 August 2025 the Sole Director announced that the shareholders acting in concert, signees of the request to convene the OGM of the Fund, published on the Fund's website on 4 August 2025 in the section *Investor Relations – Investor Reports* have sent a disclosure of holding over 5% of the total voting rights held in Fondul Proprietatea.

According to the disclosure of 8 August 2025, the shareholders acting in concert, held, at 1 August 2025 (the date of exceeding the threshold), 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). The signees of the disclosure are: Axor Holding, Equinox, Sarkany Istvan, Munteanu Florian, Herling Ileana, Moise Andrei Octav, Sebea Mihai, Olteanu Eugen-Petrisor, Florea Alexandru Eugen, Benedek Orsolya, Lazar Erzsebet, Benedek Matyas, Visan Ciprian Adrian, Visan Victor Razvan, lancuta Liviu-Timotei, Riza Marius Alin, Doroftei Csiki Iulian, Potra Voicu Bogdan, lancuta Cornel- Emanuel, Gramada Anda Carmen, Margarit Marian, Teodorescu Nicolae Dan, Dica Catalin-Marian.

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

On 26 August 2025 (including the errata published on 28 August 2025) the Sole Director announced that 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 date of exceeding the threshold), 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 at 25 August 2025 (i.e. 3,200,784,516).

Share capital information

Changes in share capital during the reporting period

	31 December 2025	31 December 2024	31 December 2023
Issued share capital (RON)	1,664,407,948.32	1,849,342,164.28	2,947,779,186.56
Paid in share capital (RON)	1,664,407,948.32	1,849,342,164.28	2,947,779,186.56
Number of shares in issue	3,200,784,516	3,556,427,239	5,668,806,128
Number of paid shares	3,200,784,516	3,556,427,239	5,668,806,128
Nominal value per share (RON)	0.52	0.52	0.52

Source: National Trade Registry

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 Buy-back programme no. 15, as approved by the Fund's EGM Resolution no. 9/ 2 December 2024.

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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.

Evolution of the Fund's share capital since listing

The following table presents information on the main events during the period from 1 January 2011 until 31 December 2025, which have changed the amount of the issued share capital of the Fund.

Date	Event	Structure of the share capital after event			
		Issued share capital (RON)	Paid share capital (RON)	Issued shares (Shares)	Paid shares (Shares)
1 Jan 2011	Opening balance	13,778,392,208.00	13,778,392,208.00	13,778,392,208	13,778,392,208
24 Feb 2014	Cancellation of shares BB 1	13,538,087,407.00	13,172,832,785.00	13,538,087,407	13,172,832,785
25 Jun 2014	Decrease for annual cash distribution to shareholders	12,861,183,036.65	12,515,396,724.25	13,538,087,407	13,174,101,815
26 Sep 2014	Cancellation of shares BB 2	11,815,279,886.85	11,469,656,813.90	12,437,136,723	12,073,322,962
27 Jan 2015	Cancellation of shares BB 3	11,575,064,733.65	11,229,443,001.15	12,184,278,667	11,820,466,317
31 May 2015	Decrease for annual cash distribution	10,965,850,800.30	10,638,419,685.30	12,184,278,667	11,820,466,317
12 Aug 2015	Cancellation of shares BB 4	10,074,080,745.90	9,746,649,630.90	11,193,423,051	10,829,610,701
14 Mar 2016	Cancellation of shares BB 5	9,869,265,720.90	9,541,834,605.90	10,965,850,801	10,602,038,451
9 Jun 2016	Decrease for annual cash distribution	9,320,973,180.85	9,011,732,683.35	10,965,850,801	10,602,038,451
26 Oct 2016	Partial cancellation of shares BB 6	9,168,314,116.70	8,859,073,619.20	10,786,251,902	10,422,439,552
18 Jan 2017	Partial cancellation of shares BB 6	8,562,968,634.10	8,253,728,136.60	10,074,080,746	9,710,268,396
24 Mar 2017	Decrease for covering accounting loss and for cash distribution	5,742,226,025.22	5,534,852,985.72	10,074,080,746	9,710,268,396
16 Jun 2017	Decrease for annual cash distribution	5,238,521,987.92	5,049,339,565.92	10,074,080,746	9,710,268,396
29 Nov 2017	Partial cancellation of shares BB 7	4,854,034,784.56	4,664,852,362.56	9,334,682,278	8,970,869,928
29 Jun 2018	Partial cancellation of shares BB 7 and BB 8	4,771,610,196.08	4,582,427,774.08	9,176,173,454	8,812,361,104
28 Dec 2018	Partial cancellation of shares BB 8	4,733,020,898.32	4,543,838,476.32	9,101,963,266	8,738,150,916
15 Oct 2019	Cancellation of shares BB 9	3,959,264,762.44	3,770,082,340.44	7,613,970,697	7,250,158,347
30 Sep 2020	Cancellation of shares BB 10	3,749,282,292.08	3,560,099,870.08	7,210,158,254	6,846,345,904
25 Oct 2021	Cancellation of shares BB 11	3,334,342,422.84	3,145,160,000.84	6,412,196,967	6,048,384,617
1 Feb 2022	Payment of unpaid shares by Romanian State	3,334,342,422.84	3,334,342,422.84	6,412,196,967	6,412,196,967
19 Oct 2022	Cancellation of shares BB 12	3,233,269,110.76	3,233,269,110.76	6,217,825,213	6,217,825,213
12 Oct 2023	Cancellation of shares BB 13	2,947,779,186.56	2,947,779,186.56	5,668,806,128	5,668,806,128

Structure of the share capital after event					
Date	Event	Issued share capital (RON)	Paid share capital (RON)	Issued shares (Shares)	Paid shares (Shares)
30 Aug 2024	Cancelation of shares BB 14	1,849,342,164.28	1,849,342,164.28	3,556,427,239	3,556,427,239
13 Aug 2025	Cancelation of shares BB 15	1,664,407,948.32	1,664,407,948.32	3,200,784,516	3,200,784,516
31 Dec 2025	Closing balance	1,664,407,948.32	1,664,407,948.32	3,200,784,516	3,200,784,516
	Treasury shares			(252,097,337)	(252,097,337)
	Voting rights			2,948,687,179	2,948,687,179

Source: Fondul Proprietatea internal records

Changes to the Constitutive Act of the Fund during the reporting period

A summary of the main changes to the Fund's Constitutive Act entering into force/ adopted by shareholders during 2025 is presented below:

- **EGM Resolution no. 6 of 27 September 2024:** 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. 7 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;

The updated Constitutive Act as per 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.

- **EGM Resolution no. 9 of 2 December 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;

The updated Constitutive Act, as per EGM Resolution 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.

- **EGM Resolution no. 1 of 29 April 2025:** approval of 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 updated Constitutive Act, as per EGM Resolution no. 1 of 29 April 2025 was authorised by FSA through the Authorisation no. 111/ 29 September 2025 and entered into force on 15 October 2025, at the date of registration with the Trade Registry.

- **EGM Resolution no. 3 of 29 September 2025:** approval of various amendments to the Fund's Constitutive Act, in line with the new Corporate Governance Code of BVB and other regulatory requirements.

The updated Constitutive Act, as per EGM Resolution no. 3 of 29 September 2025 was authorised by FSA through the Authorisation no. 158/ 19 December 2025 and entered into force on 5 January 2026, at the date of registration with the Trade Registry.

- **EGM Resolution no. 4 of 20 November 2025:** approval of changing the deadline for holding the annual GSM from 4 months to 5 months, in line with the regulatory changes.

The updated Constitutive Act, as per EGM Resolution no. 4 of 20 November 2025, was authorised by FSA through the Authorisation no. 36/ 13 February 2026 and entered into force on 2 March 2026, at the date of registration with the Trade Registry.

For details regarding changes in the Fund's Constitutive Act adopted by shareholders after the end of the reporting period, please see section *Subsequent events*.

Credit facility agreement and issued debt

The Fund did not have any loans, borrowings or credit facilities in place during 2025. Also, the Fund did not have any bonds or other debt securities in issue during 2025.

Employees

As at 31 December 2025 the Fund had no employees. Given that the Fund is administrated by the AIFM, it is not expected that the Fund will have any employees in 2026.

Subsidiaries

As at 31 December 2025, the Fund controlled the following companies, which under Romanian applicable laws qualify as subsidiaries of the Fund, all of which are incorporated and operate in Romania. In the Sole Director's opinion, none of these subsidiaries qualifies as a significant subsidiary.

Name	Ownership interest
Alcom SA	72%
Zirom SA	100%

Source: Fondul Proprietatea internal records

None of the Fund's subsidiaries holds shares in the Fund as at 31 December 2025, based on the information made available to the Fund. There was no corporate reorganisation of the Fund or its subsidiaries during 2025.

Branches

During 2025 the Fund had no branches.

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.

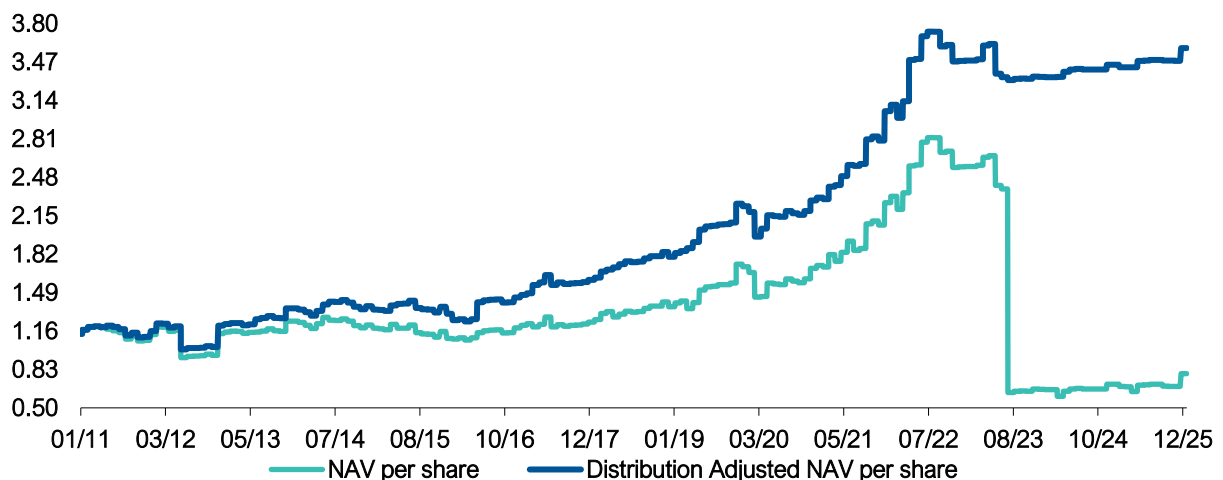
Starting with 28 January 2022, the date when the Fund's registration process as an AIF with the FSA was finalised, the Fund started to apply the Romanian AIF Law (Law no. 243/2019) and AIF Regulation (Regulation no. 7/2020).

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



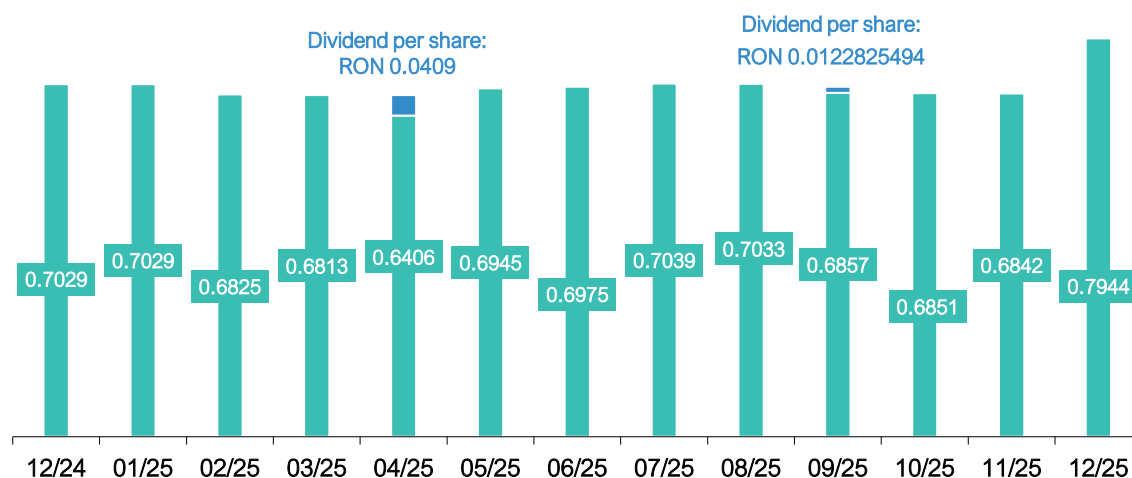
Source: Sole Director calculations

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 31 December 2025:



Source: Sole Director calculations

Note: BB Programme no. 16 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 Buyback programme no. 16 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 in 30 June 2025 NAV 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

During the **Q3 2025**, the NAV per share was 1.7% lower compared to the NAV at the end of the second quarter. The most important events during the quarter impacting the NAV per share were the dividend distribution of RON 0.0122825494 per share approved by shareholders during 29 September 2025 GSM and the tender offer within the Buyback programme no. 16 for 80 million shares at a price of RON 0.6975, that was finalised on 30 September 2025. There were no significant valuation updates in Q3 2025 for the holdings in the Fund's portfolio.

During the **Q4 2025** the NAV per share recorded an increase of 15.9%, the most important event generating this evolution being valuation update process for the portfolio holdings.

For 31 December 2025 NAV, valuation updates in accordance with the International Valuation Standards were prepared for 13 holdings with the assistance of KPMG Advisory and Darian DRS, representing all material unlisted portfolio and 2 listed companies with low liquidity - Alcom SA and Mecon SA. The valuation date was 31 October 2025, and the reports were based on the financial data of the companies as at 30 September 2025.

Alcom SA and Mecon SA are companies listed on AeRO, the ATS of BVB, with very low/ lack of trading – the last trade for Alcom SA took place on 10 February 2017, while the last trade for Mecon SA took place on 14 May 2025. The Fund considers that the market of these instruments is not active according to the definition in IFRS 13 and as a result, the market trades are not representative of the holdings fair value. Consequently, in the NAV reports prepared for 2025 the Fund continued to value the holdings in Alcom SA and Mecon SA based on valuation reports prepared with the assistance of the external valuer Darian DRS.

The overall impact of the valuation adjustments for the Fund's holdings in 31 December 2025 NAV is detailed in the table below. For more details regarding the valuation of CN Aeroporturi Bucuresti SA, please also see section "Key portfolio developments" of this report.

Portfolio company	Value in	Value in	Value in	31 Dec 2025 NAV vs.	
	31 Dec 2025 NAV	30 Jun 2025 NAV	31 Dec 2024 NAV	31 Dec 2025 NAV vs. 31 Dec 2024 NAV	
	RON million	RON million	RON million	RON million	%
CN Aeroporturi Bucuresti SA	1,366.5	1,063.3	1,033.9	332.6	+32.2%
CN Administratia Porturilor Maritime SA	361.6	358.2	371.7	(10.1)	-2.7%
Societatea Nationala a Sarii SA	259.9	260.6	326.8	(66.9)	-20.5%
Zirom SA	29.4	25.6	25.6	3.8	+14.8%
Posta Romana SA	26.1	22.3	22.3	3.8	+17.0%
CN Administratia Canalelor Navigabile SA	14.2	7.6	14.2	-	-
Aeroportul Int Timisoara - Traian Vuia SA	5.5	7.4	7.4	(1.9)	-25.7%
CN Administratia Porturilor Dunarii Fluviale SA	4.9	4.6	4.9	-	-
CN Administratia Porturilor Dunarii Maritime SA	4.5	2.9	3.5	1.0	+28.6%
Plafar SA*	3.1	3.1	3.1	-	-
Aeroportul Int Mihail Kogalniceanu - Constanta SA*	2.3	2.3	2.3	-	-
Complexul Energetic Oltenia SA	-	6.0	43.1	(43.1)	-100.0%
Societatea Electrocentrale Craiova SA	-	-	-	-	-
Total unlisted holdings	2,078.0	1,763.9	1,858.8	219.2	+11.8%
Alcom SA	12.0	10.2	10.2	1.8	+17.6%
Mecon SA	2.3	2.4	2.4	(0.1)	-4.2%
Total listed not liquid holdings	14.3	12.6	12.6	1.7	+13.5%
Total	2,092.3	1,776.5	1,871.4	220.9	+11.8%

Source: Fondul Proprietatea internal records

* the valuation update process for this company was ongoing at the date publication of 31 December 2025 NAV report and the company was valued based on latest available valuation report (i.e. prepared for 31 December 2024 NAV reporting).

In addition, for the preparation of the IFRS financial statements, the Fund has analysed the events that took place between 31 October 2025 (date of valuation reports for 31 December 2025 NAV) and the date when the IFRS financial statements of the Fund were authorised for issue and consequently has adjusted the value of 5 holdings in the final audited IFRS financial statements of the Fund for the year ended 31 December 2025, with a total net increase of RON 2.0 million compared to the valuation included in 31 December 2025 NAV.

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

Portfolio company	Value in	Value in 31 Dec	31 Dec 2025 IFRS vs.	
	31 Dec 2025 NAV	2025 IFRS	31 Dec 2025 IFRS vs.	31 Dec 2025 NAV
	RON million	RON million	RON million	%
CN Administratia Porturilor Maritime SA	361.6	365.4	3.8	+1.1%
Zirom SA	29.4	31.2	1.8	+6.1%
CN Administratia Canalelor Navigabile SA	14.2	13.5	(0.8)	-5.4%
Plafar SA	3.1	-	(3.1)	-100.0%
Aeroportul International Mihail Kogalniceanu - Constanta SA	2.3	2.6	0.3	+11.9%
Total	410.7	412.7	2.0	+0.5%

Source: Fondul Proprietatea internal records

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

Corporate Governance

Overview

The Fund has a clear and transparent corporate governance framework concluded in 2011, that was updated and enhanced in the subsequent periods. The framework presents clearly, for public reference, the main characteristics of the Fund's corporate governance structure, the functions of the Fund's Sole Director and those of the Board of Nominees, as well as their powers and responsibilities. The relevant information is presented on the Fund's website in the section *About the Fund – Fund Overview – Corporate Governance*.

Compliance with corporate governance principles

The Fund lends great importance to the principles of good corporate governance and coinciding with its listing at the beginning of 2011, has adhered to the BVB Corporate Governance Code.

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"). The annual report for the financial year 2025 (which must contain the corporate governance chapter and the "Comply or Explain" statement) is 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 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 "Comply or Explain" Statement in line with the new BVB Corporate Governance Code is included in Annex 4 to this report.

Management structure of the Fund

Corporate bodies

In September 2010, a one-tier system of governance was implemented at the Fund's level, as a result of the implementation of the rules established by Romanian legislation in force, in order to allow the appointment of the Fund Manager as Sole Director of the Fund. Although the Fund is currently administrated under a one-tier system, its corporate structure also includes the Board of Nominees, a contractually created body whose main role is to monitor the activity of the Sole Director.

The powers and duties of the above-mentioned bodies are described in a number of official documents, available on the Fund's website in *About the Fund – Fund Overview – Corporate Governance* section:

- The Constitutive Act of the Fund;
- The current Management Agreement, signed between the Fund and FTIS in 2024, applicable until 31 March 2026;
- The IPS; and
- Other internal regulations.

Commitment to follow the principles of corporate governance

In accordance with best corporate governance practices, the Fund is managed in a climate of transparency, based on open discussions between FTIS and the Board of Nominees.

FTIS, its employees and the members of the Board of Nominees have a duty of care and loyalty towards the Fund. Hence, FTIS and the Board of Nominees pass their resolutions as required for the welfare of the Fund, primarily in consideration of the interests of shareholders.

The Fund implemented corporate governance principles and has in place, among others:

- The Code of Ethics and Business Conduct of Fondul Proprietatea;
- The Annual Cash Distribution Policy;
- The Remuneration Policy;
- The Forecast Policy;
- General dividend payment procedure;
- Complaints Handling Policy and Procedure;
- Related Parties Framework.

General Shareholders Meeting

Overview

Any GSM shall be convened by the Sole Director whenever necessary, with the prior notification of the Board of Nominees. The Sole Director may amend the convening notice after its publication, within a maximum of 15 days from the date of publication. The date of the meeting may not be less than 30 calendar days after publishing the final convening notice. The convening notice shall be published in the Official Gazette of Romania, Part IV, and in one of the widely distributed newspapers in Romania.

In exceptional cases, when the Fund's interest requires it, the Board of Nominees may convene the GSM. Any convening notice will be sent for publication purposes to BVB and FSA in accordance with the capital markets regulations. Any convening notice will also be published on the Fund's website in the *Investor Relations - GSM Information* section, together with any explanatory document related to items included on the meeting agenda.

The annual financial statements are made available starting with the date of the convening notice of the Annual OGM, convened to resolve upon them.

General Shareholders Meeting organisation

The GSM is usually chaired by the permanent representative of the Sole Director, who may designate another person to chair the assembly. The chairperson of the meeting designates one or more technical secretaries to verify the fulfilment of the formalities required by law for carrying out the meeting and for drafting the minutes thereof, apart from the GSM secretary appointed by shareholders during the GSM.

The minutes, signed by the chairperson and by the GSM secretaries, shall ascertain the fulfilment of the formalities relating to the convening notice, the date and place of the meeting, the agenda, the shareholders presence, the number of shares, a summary of the issues discussed, the resolutions passed, and, upon shareholders request, the statements made by such shareholders during the meeting.

The resolutions of the GSM shall be drafted pursuant to the minutes and shall be signed by the person empowered by the shareholders to do this. In observance of the capital market regulations, the resolutions of the GSM will be disseminated to BVB and FSA within 24 hours after the event. The resolutions will also be made available on the Fund's website under the respective GSM section.

General Shareholders Meeting main duties

The main duties of the OGM are the following:

- a) to discuss, approve and amend the annual financial statements after reviewing the reports of the AIFM and financial auditor;
- b) to establish the distribution of the net profit and to establish the dividends;
- c) to appoint the members of the Board of Nominees and to cancel their appointment;
- d) to appoint the AIFM in accordance with the law and to cancel its appointment;
- e) to appoint and cancel the appointment of the financial auditor and to set the minimum duration of the financial audit agreement;
- f) to approve the remuneration policy applicable to the members of the Board of Nominees and to the AIFM, that includes the level of their remuneration, and to set the level of remuneration of the financial auditor;
- f¹) to vote on an annual basis on the remuneration report for the previous fiscal year; such a vote shall be of an advisory nature, and the Fund shall explain in the following remuneration report how the GSM vote has been taken into account;
- g) to rule over the management of the AIFM and to evaluate his/ her performances and to discharge him/ her from its management;
- h) to decide on the action in a court of law against the AIFM or, as the case may be, against the financial auditor, for damages caused to the Fund;
- i) to approve the strategy and the development policies of the Fund;
- j) to approve the annual budget for the following financial year;
- k) to decide upon the pledge, lease or creation of movable securities or mortgages on the assets of the Fund;
- l) to approve significant related parties' transactions, if their value is greater than 5% of the net asset value, at the proposal of the AIFM;
- m) to decide on any other aspects regarding the Fund, according to the legal duties.

The EGM is entitled to decide mainly upon:

- a) set-up or closing of some secondary units: branches, agencies, representative offices or other such units with no legal personality;
- b) share capital increase;
- c) share capital decrease or re-completion thereof by issuing new shares;
- d) conversion of shares from one category to another;
- e) conversion of a category of bonds to another category or to shares;
- f) issue new bonds;
- g) approval of the admission for trading and selection of the regulated market on which the Fund's shares will be traded;
- h) the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of the Fund, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of the Fund, less non-current receivables;
- i) change of the management system of the Fund;

- j) limitation or cancellation of the preference right of the shareholders;
- k) approval of the IPS;
- k^1) approval of (i) the dissolution and liquidation of the Fund; or (ii) the extension of the duration of the Fund;
- l) any other amendment of the Constitutive Act or any other resolution requiring the approval of the EGM.

GSM during the reporting period

During 2025, there were 6 GSMs in which the shareholders adopted 28 resolutions (4 EGM resolutions and 24 OGM resolutions). All EGM and OGM resolutions together with the GSM related documentation are published on the Fund's webpage at *Investor Relations – GSM Information* section and a summary is included below.

29 April 2025 Annual GSM

A summary of the agenda together with main shareholders resolutions during 29 April 2025 Annual GSM is included below:

- **EGM Item 1:** approval of 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;
Item was approved by shareholders.
- **EGM Item 2:** approval of 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;
Item was approved by shareholders.
- **OGM Item 2:** approval of 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;
Item was approved by shareholders.
- **OGM Item 3:** approval of the Remuneration Report of Fondul Proprietatea for 2024;
Item was approved by shareholders.
- **OGM Item 4:** approval of the Remuneration Policy of the Fund applicable to the mandate started on 1 April 2025;
Item was approved by shareholders.
- **OGM Item 5:** approval of 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;
Item was approved by shareholders.
- **OGM Item 6:** 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.

Item was approved by shareholders.

- **OGM Item 7:** approval 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;

Item was approved by shareholders.

- **OGM Item 8:** approval of 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);

Item was approved by shareholders.

- **OGM Item 9:** approval of 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.

Item was approved by shareholders.

29 September 2025 GSM

Request to convene the OGM of Fondul Proprietatea SA

On 1 August 2025, FTIS received from a number of shareholders of the Fund holding 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 fund manager selection process;
- Approval of the commencement of a new fund 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.

The shareholders' request to convene the OGM is published on the Fund's website, in the section *Investor Relations – Investor reports*.

Shareholders resolutions during 29 September 2025 GSM

On 13 August 2025 the Sole Director of the Fund convened a GSM for 29 September 2025. The final form of the convening notice, including all additional items received from shareholders, was published on 5 September 2025. A summary of the agenda together with main shareholders resolutions during 29 September 2025 GSM is included below:

- **EGM item 1:** approval of various amendments to the Fund's Constitutive Act, in line with the new Corporate Governance Code of BVB and other regulatory requirements;

Item was approved by shareholders.

- **OGM item 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)

Item was approved by shareholders.

- **OGM item 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)

Considering that (i) both item 2 and item 14 on the OGM agenda received the majority of votes and (ii) item 14 on the OGM agenda received the highest number of 'FOR' votes, item 14 on the OGM agenda is considered adopted.

- **OGM item 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)

Item was approved by shareholders.

- **OGM item 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)

Item was approved by shareholders.

- **OGM item 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 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;

- (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)

The item was not submitted to a vote, as items 1 and 2 on the OGM agenda were approved.

- **OGM item 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. Voting on this item on the agenda is subject to receipt of qualifying candidate proposals from any shareholder of Fondul Proprietatea;

The item was not submitted to a vote, as no candidate proposals had been submitted by the deadline.

- **OGM item 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 item 5, nor item 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)

Item was approved by shareholders.

- **OGM item 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;

Mr. Istvan Sarkany was appointed as member of the Board of Nominees of the Fund for a period of 3 years.

- **OGM item 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;

Item was approved by shareholders.

- **OGM item 10:** The approval of the immediate revocation of the mandate of Ms. Ilinca von Derenthall as member of the Board of Nominees;
(Item added on the agenda at the request of a shareholders' group holding more than 5% of the share capital)
Item was approved by shareholders.
- **OGM item 11:** The approval of the immediate revocation of the mandate of Ciprian Ladunca as member of the Board of Nominees;
(Item added on the agenda at the request of a shareholders' group holding more than 5% of the share capital)
Item was approved by shareholders.
- **OGM item 12:** The approval of the immediate revocation of the mandate of Mr. Nicholas Paris as member of the Board of Nominees;
(Item added on the agenda at the request of a shareholders' group holding more than 5% of the share capital)
Item was approved by shareholders.
- **OGM item 13:** The approval of the immediate revocation of the mandate of Mr. Marius-Alin Andries as member of the Board of Nominees;
(Item added on the agenda at the request of a shareholders' group holding more than 5% of the share capital)
Item was approved by shareholders.
- **OGM item 14:** Alternative to item 2 of the OGM convening notice – approval of the initiation by the BoN of a new, simplified, transparent, and efficient selection process for an AIFM and Sole Director of the Fund, selection process which shall not exceed 150 days, with associated costs limited to a maximum of RON 1,500,000. The BoN will include in the procedure of the selection process an eligibility criteria pertaining to which the proposed AIFM and Sole Director must have under management assets which are at least equal to the value of Fondul Proprietatea's assets (the "New Selection Process");
(Item added on the agenda at the request of the shareholder Ministry of Finance)
Item was approved by shareholders.
- **OGM item 15:** Alternative to item 6 of the OGM convening notice – approval that the eligible candidates put forward by any shareholder of Fondul Proprietatea, submitted under item 6, are subject to the evaluation by the BoN and analysed against the criteria that formed the basis for the selection process of a Sole Director of the Fund, initiated as per the GSM Resolution no. 9/ 25 September 2023;
(Item added on the agenda at the request of the shareholder Ministry of Finance)
Item was not submitted to a vote, as (i) this item refers to the candidate proposals submitted in accordance with item 6, and (ii) no candidate proposals were submitted by the deadline.

20/21 November 2025 GSM

Convening 20/21 November 2025 GSM

On 8 October 2025 the Sole Director of the Fund convened a GSM for 20 November 2025. If the statutory quorum requirements for the EGM/ OGM laid down by the Companies' Law no. 31/1990 and the Fund's Constitutive Act were not to be met for the first convening, both

meetings were convened on 21 November 2025 (second convening), with the same agenda as at the first convening. The quorum requirements for the first convening were met only for the EGM, while the OGM was reconvened on 21 November 2025.

On 27 October 2025 the Sole Director received a request to supplement the agenda of the OGM convened for 20/21 November 2025 from certain shareholders of the Fund holding together more than 5% of the Fund's share capital, which is published on the Fund's website in the section *Investor Relations – Investor reports*.

The final form of the convening notice, including all additional items received from shareholders, was published on 30 October 2025.

Shareholders resolutions during 20/21 November 2025

A summary of the agenda together with main shareholders resolutions during 20/21 November 2025 GSM is included below:

- **EGM Item 1:** approval of the amendment of the Fund's Constitutive Act, in line with recent legislative changes, modifying the deadline for the Annual GSM from 4 months to 5 months from the end of the financial year;

Item was approved by shareholders.

- **OGM Item 1:** the appointment, for a period of 3 years of 1 member of the BoN (who will also be a member of the Audit and Valuation Committee) of Fondul Proprietatea, who meets the requirements set out in Law no. 162/2017, in accordance with the informative materials. The mandate of the new BoN member will start on the date the respective candidate appointed by the OGM accepts such an appointment.

Item was rejected by shareholders.

- **OGM item 1^1 (alternative to OGM item 1):** the election of an independent member of the AVC (who shall not also be a member of the BoN), namely Ms. Bago Kristine-Monica, for a one-year term starting from the date of acceptance of such an appointment, by signing the mandate agreement, in a form similar to that included in the informative materials, and setting her remuneration at a maximum of RON 102,776 gross per year. The BoN is authorised to organize the activity of the AVC in accordance with the law and good governance practices, including by adopting operating rules for the AVC, which shall be submitted for approval at the next GSM. Ms. Bago Kristine-Monica will also serve as Chairperson of the Audit Committee.

Item added on the agenda at the request of a shareholders' group holding more than 5% of the Fund's share capital

Item was approved by shareholders.

- **OGM Item 2:** the appointment, for a period of 3 years of 3 members of the BoN of Fondul Proprietatea, in accordance with the informative materials. The mandate of each newly appointed member of the BoN will start on the date the respective candidate appointed by the OGM accepts such an appointment.

Item was no longer submitted to a vote during the OGM since Item 1 on the OGM Agenda was not approved and Item 1^1 on the OGM Agenda was approved by the OGM.

- **OGM item 2^1 (alternative to OGM item 2) - provided that OGM item 1 is rejected:** the appointment, for a period of 3 years of 4 members of the BoN, in accordance with the informative materials. All candidacies announced on the lists mentioned under the initial items 1 and 2 of the OGM will be considered and included on the ballot corresponding to this item. The mandate of each new member of the BoN shall start on the date the respective candidate appointed by the OGM accepts such an appointment. The newly elected members of the BoN: (1) will present the Operating Rules of the BoN for approval at the next GSM; (2)

the Operating Rules will include express provisions regarding the reimbursement of any expenses incurred by the members of the BoN that are to be reimbursed or borne by Fondul Proprietatea for any legitimate purpose and in compliance with applicable laws and the Mandate Agreements of the members of the BoN.

Item added on the agenda at the request of a shareholders' group holding more than 5% of the Fund's share capital

Item was approved by shareholders. Mr. Matej Rigelnik, Mr. Andrei-Octav Moise, and Mr. Florian Munteanu have been elected as members of the Board of Nominees, with one seat remaining vacant.

- **OGM Item 3:** the approval of the authorisation of the Chairperson of the BoN to represent the Fund and to sign on its behalf:
 - a) the agreements with the advisors selected by the BoN to assist the Fund and the BoN in connection with the mandates granted by shareholders following 29 September 2025 OGM;
 - b) any documents relating to the mandates granted by the shareholders following 29 September 2025 OGM; and
 - c) all agreements with advisors and any other documents which have been approved by the BoN in order to fulfil the Authorisation.

Item was approved by shareholders.

26 February 2026 GSM of the Fund

Request to convene the OGM of Fondul Proprietatea SA

On 29 December 2025 the BoN submitted to the Sole Director a request to convene a GSM of the Fund, including the proposed points on the agenda and the rationale for convening the GSM. On 30 December 2025 FTIS received an additional request to convene the GSM of the Fund from a number of shareholders jointly holding 7.33% of the Fund's share capital. Both request are available on the Fund's website, section *Investor Relations – Investor reports*.

For details regarding the shareholders resolutions during 26 February 2026 GSM, please see section *Subsequent events*.

The Fund's shareholders rights

According to the provision of the Constitutive Act in force, each share issued by the Fund which is rightfully owned and paid by a shareholder carries the following rights: (i) voting right at the GSM, (ii) the right to elect and to be elected in the management bodies, and (iii) the right to take part in the profit distribution.

The Fund currently observes the one paid share, one vote, and one dividend principle. There are no shares conferring the right to more than one vote or preference shares.

With respect to the right to receive dividends, the Constitutive Act sets out that the Fund's net profit shall be distributed based on the resolution of the GSM, each shareholder being entitled to receive dividends proportionally with the number of paid in shares held in the Fund's share capital. Pursuant to Law no. 24/2017, the payment of dividends shall be carried out no later than 6 months from the date of the GSM approving the dividend distribution.

The Romanian legislation imposes various restrictions regarding the unpaid shares, including no voting rights for those unpaid shares and no right to receive dividends or return of capital in relation to them.

Currently, the Constitutive Act does not specify any further special conditions on such rights than those specified by the law. Other than as presented above, no rights, preference or restrictions are attached to the shares.

Pursuant to the Companies' Law, as a rule, the shares issued by a company entitle each holder to equal rights. Such rights mainly refer to the shareholders' involvement in the operations of a company and the resulting benefits and are regulated by the applicable laws. Shareholders must exercise their rights in good faith, without breaching the interest of other shareholders or that of the company. The Fund ensures a fair treatment of investors and there is no preferential treatment for any investor.

The Fund is committed to communicate with its shareholders effectively and actively and ensure that all shareholders have equal access to relevant material information, so as to allow them to fully exercise their rights. The AIFM has established a dedicated experienced investor relations team, responsible for handling relationship with both private and institutional investors, locally and abroad.

The Fund has a dedicated GSM related section on its website (*Investor Relations – GSM Documentation*). The information in this section typically includes: the time and place of meetings; information on how to exercise voting rights, including the proxy process with relevant forms; meeting agendas, as well as detailed documents relating to specific agenda items and draft of shareholders resolutions.

The Fund is committed to encourage shareholders to participate at GSMs, to fully exercise their rights, and to raise questions concerning items debated during such meetings. GSMs enable and encourage the dialogue between the shareholders and the Fund and its representatives.

The shareholders may attend the GSMs in person or may be represented either by their legal representatives or by representatives having a special or a general proxy, based on the proxies' templates made available by the Fund. Such proxies' templates may be obtained from the Fund's headquarters and/ or can be found on the Fund's website, under the respective GSM section item.

Also, the shareholders who cannot attend are able to vote in absence by sending the votes to the Fund's headquarters or via e-mail having attached an extended electronic signature, using the voting bulletin for the votes by correspondence made available by the Fund at the headquarters and/ or on the Fund's website.

Starting 2024, the Fund also implemented the possibility for the Fund's shareholders registered as such on the GSM reference date, to vote by electronic means via eVote platform, in accordance with the provisions of Art. 197 of FSA Regulation no. 5/2018. The electronic voting may be used exclusively before each GSM, as detailed in the GSM Procedure published on the Fund's website in the section *Investor Relations - GSM Information*.

Shareholders holding individually or jointly at least 5% of the Fund's paid share capital may ask for calling of a GSM. Such shareholders have also the right to add new items on the agenda of a GSM, provided such proposals are accompanied by a justification or a draft resolution proposed for approval and copies of the identification documents of the shareholders who made the proposals.

Proposals with respect to adding new items on the agenda of such GSM can be submitted at the Fund's headquarters, or by e-mail having attached an extended electronic signature, in compliance with Law no. 455/2001 on digital signature.

Likewise, the shareholders holding individually or jointly at least 5% of the Fund's paid share capital are entitled to propose revised versions of resolutions for the items listed on the agenda or proposed by other shareholders for the agenda of the GSM.

The shareholders of the Fund, regardless of the stake held in the share capital, may submit written questions with respect to the items on the agenda of the GSMs. The shareholders may also send such questions by e-mail or may raise them during the GSM. The answers will be provided during the GSM; the questions may be answered as well on the Q&A section of the Fund's website.

Should the questions require elaborate answers, a Q&A form will be made available on the Fund's website. The disclosure of commercially sensitive information that could result in a loss or competitive disadvantage for the Fund will be avoided when providing the answers, in order to protect shareholders' interest.

A shareholder who was absent at a GSM or has voted against a certain resolution and has requested that its vote against the resolution is registered in the minutes of that GSM is entitled to challenge such resolution within 15 days as of its publication in the Official Gazette of Romania, Part IV. Also, claims regarding an absolute nullity of a shareholder resolution may be filed at any time.

Increase of the Fund's share capital

The share capital of the Fund can be increased with EGM approval, in accordance with the provisions of Romanian law:

- by issuing new shares in exchange for cash contributions, based on the offering documentation approved according to legislation in force;
- by incorporation of reserves, except for legal reserves and of the reserves created out of the revaluation of the patrimony, as well as of the benefits and issuing premiums.

The share capital increase shall be registered at the Trade Registry, on the basis of the resolution of the Fund's GSM.

The share capital cannot be increased by issuing new shares if there are outstanding unpaid shares in the share capital of the Fund.

Board of Nominees and the Consultative Committees

The Board of Nominees consists of 5 members appointed by the OGM in accordance with the provisions of the Constitutive Act in force. The decision-making process is a collective responsibility of the Board, which remains fully liable for decisions taken within its field of competence. The BoN takes valid decisions provided the absolute majority of its members.

The Board of Nominees ensures that the consultative committees of the Fund (i.e. the Nomination and Remuneration Committee and the Audit and Valuation Committee) are constituted to examine specific topics chosen by the Board and to report to the Board.

The mandate of each member of the Board of Nominees imposes restrictions around confidentiality of information and certain type of reporting and consent requirements on the individual's ability to personally trade in the Fund's shares. The members of the Board of Nominees may be shareholders of the Fund.

Board of Nominees composition and activities during 2025

The structure of the Board of Nominees as at 31 December 2025 was the following:

Name	Position	First appointment date	Current mandate expiring on	Length of service
Mr. István Sárkány	BoN member, member of AVC, member of NRC	3 Oct 2025	3 Oct 2028	2 months and 29 days
Mr. Matej Rigelnik	Chairperson of BON, member of NRC	21 Nov 2025	21 Nov 2028	1 month and 10 days
Mr. Andrei – Octav Moise	BoN member, Chairperson of NRC	21 Nov 2025	21 Nov 2028	1 month and 10 days
Mr. Florian Munteanu	BoN member, member of AVC	21 Nov 2025	21 Nov 2028	1 month and 10 days

Source: Fondul Proprietatea internal records

The main updates regarding the Fund's Board of Nominees and consultative committees during 2025 are presented below:

- On 14 March 2025 the Sole Director announced the decision of the BoN to change the membership of the NRC by appointing Ms. Ileana-Lacramioara Isarescu in the position previously held by Mr. Alin-Marius Andries.
- On 5 May 2025 the Sole Director has been informed by Ms Ileana – Lacramioara Isarescu of her resignation from the BoN, as well as the reasons behind her decision to resign.
- On 12 August 2025 the Sole Director informed the market about the BoN decision to change the membership of the NRC starting with the same date, by appointing Mr. Alin-Marius Andries in the position previously held by Ms. Ileana-Lacramioara Isarescu. The AVC membership remained unchanged.
- During 29 September 2025 GSM, Mr. Istvan Sarkany was appointed as member of the BoN for a period of 3 years starting from the date of acceptance of this appointment (i.e. 3 October 2025).
- During the same GSM, the shareholders also approved the immediate revocation of the mandates of Ms. Ilinca von Derenthall, Mr. Ciprian Ladunca, Mr. Nicholas Paris and Mr. Marius-Alin Andries as members of the BoN.
- During 21 November 2025 GSM, Mr. Matej Rigelnik, Mr. Andrei – Octav Moise and Mr. Florian Munteanu were appointed as members of the BoN for a period of 3 years starting from the date of acceptance of this appointment (i.e. 21 November 2025).
- During the same GSM, the shareholders also approved the appointment of Ms. Kristine-Monica Bago as an independent member of the AVC (who shall not also be a member of the BoN), for a one-year term starting from the date of acceptance of such an appointment (i.e. 24 November 2025). Ms. Bago Kristine-Monica will also serve as Chairperson of the AVC.

Following the shareholders resolutions during 29 September 2025 GSM (when the mandates of 4 BoN members were revoked) and 20/21 November 2025 GSM (when only 3 candidates have obtained the statutory majority provided by the Fund's Constitutive Act to be elected as members of the BoN), as at 31 December 2025 there was a vacant position in the Board of Nominees. For more details regarding changes in BoN composition after 31 December 2025, please see section *Subsequent events*.

For more details regarding the activity of the Board of Nominees during 2025, please also see the annual activity report of the Board, available on the Fund's webpage in the *Investor Relations – GSM Information* section.

Duties of the Board of Nominees

The main duties of the Board of Nominees include:

- 1) Requesting, if necessary, the insertion of supplementary matters in the text of the GSM calling notice, following the information received from the AIFM with regard to the summoning of the OGM or EGM;
- 2) Receiving from the AIFM the answers to the written requests submitted by shareholders before the GSM date, on topics regarding Fund activity;
- 3) Receiving from the AIFM the annual financial statements, the annual activity report presented by the AIFM and the financial auditors' report, before being made available to shareholders and analysing them, in order to formulate an opinion to be presented to both the AIFM and to the GSM;
- 4) Receiving from the AIFM for analysis the annual report and the management policy of Fondul Proprietatea and presenting an opinion to the AIFM and to the GSM;
- 5) Receiving from the AIFM for analysis the annual budget, before it is submitted for approval to the GSM and presenting an opinion to the AIFM and to the GSM;
- 6) Receiving from the AIFM for analysis the strategy in accordance with the Fund's investment policy, before these are submitted for approval to the GSM, and presenting an opinion to the AIFM and to the GSM;
- 7) Receiving from the AIFM for analysis and approval the framework for carrying out Fondul Proprietatea operations, as well as any other Fondul Proprietatea regulations issued by the AIFM according to legal provisions in force, capital market rules and regulations;
- 8) Receiving from the AIFM for analysis the proposal to the OGM for concluding the financial audit agreement and presenting an opinion to the AIFM and to the GSM;
- 9) Reviewing on a regular basis the investment policy of Fondul Proprietatea and presenting an opinion to the GSM at any time it deems necessary, but in any case, at least once a year to the Annual OGM;
- 10) Receiving the internal auditor's report and presenting an opinion to the AIFM and to the GSM;
- 11) Monitoring the following, based on information and reports received from the AIFM:
 - the list of all portfolio investments and percentage breakdown by each investment type;
 - the list of major transactions implemented in the Fund portfolio for the period under review;
 - the total profit of the portfolio companies and comparison with the appropriate market benchmark;
 - comparison of the obtained profit with the initial objective;
 - the extent of compliance with the investment policy, including, specifically, the degree to which any performance objectives set out are achieved, as well as any variations and actions taken to achieve such objectives and improve investment results;
 - the performance evaluation report.
- 12) Representing the GSM in relation with the AIFM regarding the communication between the two corporate bodies, except for the cases expressly regulated by the Constitutive Act regarding the direct communication between the GSM and the AIFM;

- 13) Verifying the report of the AIFM and permanently overseeing the management of the Fund, verifying if the operations carried out by the AIFM are following the applicable law, the Constitutive Act and any relevant resolution of the GSM;
- 14) Calling upon the GSM, under the conditions provided in the Constitutive Act;
- 15) Participating to the GSM and presenting the reports in all cases provided by the Constitutive Act or regarding any issue it deems to be relevant for the GSM;
- 16) Proposes to the GSM the prior approval or rejection of the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of the Fund, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of the Fund, less non-current receivables;
- 17) Recommending to the GSM the termination of the management contract for the case when the Board of Nominees considers this is to the benefit of the shareholders;
- 18) Recommending to the GSM on any other issues the Board of Nominees considers relevant to the shareholders;
- 19) Recommending to the EGM the appointment of the public offer intermediate and his remuneration, following the proposal of the AIFM, when it becomes necessary that such a company is appointed, related to the admission to trading of Fondul Proprietatea;
- 20) Approving the delegation by the AIFM of certain activities. The delegation shall be effective in accordance with the legal provisions in force;
- 21) Monitoring the AIFM performance in accordance with the Management Agreement.

Main duties of BoN granted by GSM in addition to those provided in the Constitutive Act

In addition to the duties of the BoN included in the Fund's Constitutive Act (presented above), the following were approved pursuant to several GSMs:

- 25 September 2023 GSM: Initiating, organising the transparent selection procedure for a new Fund Manager and establishing new objectives, performance criteria and presenting them for approval by the GSM;
- 25 September 2023 GSM: Establishing 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 presenting them for approval by the GSM;
- 27 September 2024 GSM: Authorisation of the Chairperson of the BoN (with authority to be substituted by another member of the BoN), with the signature of such person being binding upon and mandatory for the Fund, to take the following actions and to act in the name of and on behalf of the Fund:
 - a. to select and appoint any advisors to assist Fondul Proprietatea and the BoN in relation to the AIFM selection process;
 - b. to negotiate and agree, as the case may be, in the name and on behalf of Fondul Proprietatea, any documents (as well as any amendments thereto) regarding the selection process; and
 - c. to sign, execute and deliver all agreements with advisors, written instruments and all other documents, which are necessary, desirable and/or appropriate in order to fulfil the authorisation granted.

The points above were related to the first selection process of the Fund Manager, which was cancelled during 29 September 2025 GSM and the mandates of the Board of Nominees members at that date were revoked.

- 29 September 2025 GSM: The initiation by the BoN of a new, simplified, transparent, and efficient selection process for an AIFM and Sole Director of the Fund, selection process which shall not exceed 150 days, with associated costs limited to a maximum of RON 1,500,000. The BoN will include in the procedure of the selection process an eligibility criteria pertaining to which the proposed AIFM and Sole Director must have under management assets which are at least equal to the value of Fondul Proprietatea's assets;
- 29 September 2025 GSM: 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;
- 21 November 2025 GSM: Authorisation of the Chairperson of the BoN to represent the Fund and to sign on its behalf:
 - a. the agreements with the advisors selected by the BoN to assist the Fund and the BoN in connection with the mandates granted by shareholders following 29 September 2025 OGM;
 - b. any documents relating to the mandates granted by the shareholders following 29 September 2025 OGM; and
 - c. all agreements with advisors and any other documents which have been approved by the BoN in order to fulfil the Authorisation.

For more updates regarding the duties of BoN granted by GSM after 31 December 2025, please see section *Subsequent events*.

Consultative Committees

Audit and Valuation Committee

A permanent Audit and Valuation Committee was established to help the governing bodies of the Fund in the area of internal control, financial reporting, risk management, internal and external audit processes, and compliance with applicable laws and regulations.

According to BVB Corporate Governance Code, the majority of the AVC members is recommended to be independent, including the Chairperson. The AVC should include members that have the necessary expertise and qualifications in the area of financial audit and accounting.

The main responsibilities of the AVC include: monitoring the financial reporting process, the audit of the financial statements, supervising the activity of the internal auditor, monitoring the effectiveness of the entity's internal quality control systems and risk management systems.

As at 31 December 2025 the members of the AVC were: Ms. Kristine-Monica Bago (as Chairperson), Mr. Florian Munteanu and Mr. Istvan Sarkany. For updates on the AVC composition after the end of the reporting period, please see section *Subsequent events*.

Nomination and Remuneration Committee

A Nomination and Remuneration Committee composed of Board of Nominees members was established to help the governing bodies of the Fund in the area of nomination and changes in remuneration. According to BVB Corporate Governance Code, the majority of the NRC members is recommended to be independent, including the Chairperson.

As at 31 December 2025 the NRC members were: Mr. Andrei-Octav Moise (as Chairperson), Mr. Istvan Sarkany and Mr. Matej Rigelnik. For updates on the NRC composition after the end of the reporting period, please see section *Subsequent events*.

The Fund has in place a Remuneration Policy and its latest version was adopted by shareholders during 29 April 2025 GSM (available on the Fund's website in *About the Fund – Fund Overview – Corporate Governance* section). The Fund's Remuneration Policy purpose is to set forth the corporate governance principles with regards the remuneration of the (i) Sole Director and of the (ii) Board of Nominees members.

An updated version of the Remuneration Policy is subject to shareholders approval during 28/29 May 2026 Annual GSM, and this is available on the Fund's website in the section *Investor Relations – GSM Information – GSM Documentation*.

More details on the remuneration of the Sole Director and of the Board of Nominees members are presented in the Remuneration Report of Fondul Proprietatea for 2025, which is available on the Fund's website in the section *Investor Relations – GSM Information* and will be subject to Fund's shareholders advisory vote during 28/29 May 2026 Annual GSM.

The Sole Director and AIFM of the Fund

Overview

The Sole Director of the Fund is Franklin Templeton International Services S.à r.l., a société à responsabilité limitée qualifying as an alternative investment fund manager under Article 5 of the Luxembourg Law of 12 July 2013 on alternative investment fund managers, authorised by the Commission de Surveillance du Secteur Financier under no. A00000154/21 November 2013, whose registered office is located at 8A rue Albert Borschette, L-1246 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B 36.979 and registered with the Romanian FSA under number PJM07.1AFIASMDLUX0037/10 March 2016.

FTIS, being qualified as an AIFM under Chapter 2 of the Luxembourg Law of 12 July 2013 on alternative investment fund managers, is entitled to carry out services in Romania in accordance with the Law no. 74/2015 being registered with the registry kept by the FSA and is authorised to carry out the management of a fund such as Fondul Proprietatea (including, without limitation, risk management and portfolio management).

The Sole Director issues decisions regularly and whenever necessary for the daily operations of the Fund. The Sole Director is responsible for the Fund's executive management. FTIS as Sole Director and AIFM acts in the best interest of the Fund and protects the general interests of the shareholders. The Sole Director is appointed and revoked by the OGM.

On 31 December 2025, FTIS, the current AIFM of the Fund, does not hold any shares issued by the Fund.

In June 2009, Franklin Templeton Investment Management Limited United Kingdom was designated the winner of the international tender procedure organised by the Fund for the selection of the Fund's Investment Manager and Sole Director. Franklin Templeton Investment Management Limited United Kingdom, Bucharest Branch was the Sole Director of the Fund between 29 September 2010 and 31 March 2016.

In order to comply with the AIFM Directive, FTIS was appointed as the AIFM and Sole Director of the Fund for a mandate of two years starting 1 April 2016 until 31 March 2018. This was followed by other successive mandates of two/ one years, as detailed below:

- Mandate from 1 April 2018 until 31 March 2020, approved during 14 February 2018 GSM
- Mandate from 1 April 2020 until 31 March 2022, approved during 28 June 2019 GSM
- Mandate from 1 April 2022 until 31 March 2024, approved during 15 December 2021 GSM
- Mandate from 1 April 2024 until 31 March 2025, approved during 25 September 2023 GSM

- Mandate from 1 April 2025 until 31 March 2026, approved during 27 September 2024 GSM
- 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 of the Fund, a process which was cancelled according to the shareholders resolution during 29 September 2025 GSM – first selection process.

During 29 September 2025 GSM, the shareholders approved the initiation by the BoN of a new, simplified, transparent, and efficient selection process for an AIFM and Sole Director of the Fund which shall not exceed 150 days, with associated costs limited to a maximum of RON 1,500,000 – second selection process, which was ongoing at 31 December 2025.

For details regarding FTIS mandate as Sole Director and AIFM of the Fund after 31 March 2026, as well as regarding the selection process of a new AIFM, please see section *Subsequent events*.

FT policies

Treating customers fairly is one of the core values of Franklin Templeton.

Preferential treatment among clients is strictly prohibited. Aiming to ensure fair treatment to any client or investor, FT has developed and implemented several policies and procedures. FTIS applies FT global best practices to meet regulatory obligations and comply with laws and regulations.

These include:

- Code of Ethics and Business Conduct that summarises the values, principles and business practices guiding the FT business conduct and also provides a set of basic principles to guide Covered Persons (all officers, directors, employees and temporary employees of Franklin Resources, Inc. and all of its United States and non-U.S. subsidiaries and affiliates), regarding the minimum ethical requirements expected from them;
- Franklin Templeton Stewardship Policy comprising details on FT stewardship activities that include monitoring and engagement on topics such as strategy, performance, risk (including social and environmental risk) and governance (including remuneration and culture);
- Conflicts of Interest Policy to evidence that policies and procedures are put in place in FT to address actual, perceived, or potential areas of conflicts and to prevent or manage such conflicts as well as to ensure compliance with relevant regulatory requirements;
- Data Protection Policy to ensure that business operations comply with the Data Protection Regulation;
- Anti-Corruption Policy to ensure that FTIS employees comply with the U.S. Foreign Corrupt Practices Act and applicable anti-bribery and anti-corruption regulations of the local jurisdictions where FTIS operates;
- Compliance Policy and Charter, which sets the compliance framework, describing the generic compliance and regulatory requirements and the consequences of failure to comply;
- Personal Investments and Insider Trading Policy designed to prevent Franklin Templeton employees from engaging in prohibited insider trading and to fairly disclose non-public information;
- Gifts and Entertainment Policy, intended to deter providers of gifts or entertainment from seeking or receiving special favours from employees of Franklin Templeton.

The main duties of the AIFM

As provided by the Constitutive Act, the Management Agreement and the IPS, the main duties of FTIS performed under the control of the GSM and monitored by the Board of Nominees, are:

- fulfilling the necessary and useful operations to achieve the Fund's business objective, except for the operations reserved by the law for the GSM, having all the obligations attributed to it by the applicable law;
- proposing to the Board of Nominees for the prior approval and further, to the GSM for final approval, the general strategy in accordance with the investment policy;
- implementing the investment policy and achieving a proper balance between profits and the risks related to Fondul Proprietatea portfolio;
- informing the Board of Nominees periodically on any significant changes in the activities and portfolio structure of the Fund;
- establishing a reference date for shareholders entitled to vote within the GSM, under the law, and drafting the text of GSM calling notice, after obtaining the prior approval of the Board of Nominees and after adding to the agenda the matters requested by the Board of Nominees;
- giving responses on the aspects concerning the business of Fondul Proprietatea, upon the written request submitted by any shareholder before the date of the GSM; such responses shall be notified to the Board of Nominees;
- ensuring that a copy of or extract of the GSM minutes is given to any shareholder upon his request; making available to shareholders the financial statements of the Fund and the reports of the AIFM and of the financial auditors, after the announcement of the Annual OGM is published;
- preparing the annual financial statements, drafting the annual activity report, examining the financial auditors' report, presenting them to the Board of Nominees before submitting such documents to the GSM and making proposals on the distribution of the profit to the GSM, after obtaining the prior approval of the Board of Nominees;
- managing the relationship with Romanian Central Depository with regard to its shareholders register functions;
- preparing an annual report on the management and business policy of Fondul Proprietatea, to be presented to the Board of Nominees for approval prior to its submission to the GSM;
- proposing to the Board of Nominees for prior approval and further, to the GSM for final approval, the annual budget and business plan;
- approving the outsourcing of certain activities, within the limits of the approved budget, delegating the performance of certain activities, subject to the observance of the applicable legislation;
- submitting to the approval of the EGM the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of the Fund, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of the Fund, less non-current receivables;
- executing contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of the Fund, whose value does not exceed, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of the Fund, less non-current receivables, without the GSM approval;
- proposing to the OGM the conclusion of the financial audit agreement according to the legal provisions in force, upon obtaining the prior approval of the Board of Nominees;
- approving the internal audit procedure and the internal audit plan;

- deciding on the relocation of the registered office, provided that the registered office shall always be registered in Romania;
- making available to the Board of Nominees the reports and other necessary documents for exercising the monitoring duties, in accordance with the Constitutive Act;
- informing at once the Board of Nominees of any litigation or infringement of legislation regarding the AIFM, any operation that might represent an infringement to the investment policy and about the plans/ correction measures for approaching these matters;
- calling the GSM to decide whenever an issue appears on which the Board of Nominees has a disagreement with the AIFM, which cannot be resolved amiably;
- proposing to the Board of Nominees the recommendation for EGM for the appointment of the investment firm/ investment bank who shall manage a public offer, as well as its remuneration, when it becomes necessary that such a company is appointed related to the admission to trading of Fondul Proprietatea;
- approving any related parties transactions, and, if the related parties transactions' value is greater than 0.25% of the NAV, to ask for the Board of Nominees' approval, and, if the related parties transactions' value is greater than 5% of the NAV, to convene the GSM.

The AIFM ensures that the provisions of the relevant European and Romanian capital markets legislation are complied with and implemented by the Fund. Likewise, the AIFM ensures the implementation and operation of an accounting, risk management and internal control system which meets the requirements of the Fund.

The employees of the AIFM and the persons closely related to them and to the AIFM qualify as insiders and have the duty to report to the AIFM and to the FSA any and all trading/ business performed for their own account with (i) shares or other securities issued by the Fund and admitted for trading on regulated markets; and/ or (ii) derivative financial instruments relating to securities issued by the Fund and/ or (iii) any other instruments relating thereto.

The AIFM has the duty to disclose immediately to the Board of Nominees any material personal interests it may have in the transactions of the Fund as well as all other conflicts of interest.

AIFM conducts all business according to the principle that it must manage any conflicts of interest fairly between itself and the Fund. Franklin Templeton organisation has group-wide policies for managing conflicts of interest and ensuring the ethical conduct of its entire staff which apply to the AIFM. These policies were designed to evidence compliance with the conflict-of-interest requirements as set out in MiFID II and were also submitted to FSA during the AIFM's licensing application.

All business transactions between the Fund and the AIFM as well as persons or companies closely related to them must comply with the normal industry standards and applicable corporate regulations.

Permanent representative of the AIFM

As at 31 December 2025, Mr. Daniel Naftali is the permanent representative of the AIFM, being also the portfolio manager of the Fund. At the same date, Mr. Calin Metes is the portfolio manager of the Fund and 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.

Mr. Daniel Naftali is Portfolio Manager of Fondul Proprietatea, Permanent Representative of FTIS in relation to Fondul Proprietatea, and Senior Vice President at FTIS Bucharest Branch. He joined Franklin Templeton in 2010 and prior to joining Franklin Templeton, Mr. Naftali worked as an investment analyst at Raiffeisen Asset Management Romania. Previously, he served as a sell-side equity research analyst at Alpha Finance Romania. Mr. Naftali holds a bachelor's degree

in Finance and Banking from the Academy of Economic Studies in Bucharest, a Master's Degree in Banking and Insurance from the University of Orleans (France) and an MSc in International Securities, Investment and Banking from ICMA Centre, Henley Business School at the University of Reading (United Kingdom). Mr. Naftali is a CAIA Charter holder and a full member of ANEVAR.

As at 31 December 2025, Mr. Naftali held no shares issued by the Fund.

Mr. Calin Metes is Portfolio Manager of Fondul Proprietatea, Substitute of the Permanent Representative of FTIS in relation to Fondul Proprietatea, and Deputy Branch Manager at FTIS Bucharest Branch. Mr. Metes joined Franklin Templeton in 2010, being responsible for the ongoing monitoring of key companies in the Fund's portfolio and engagement with their stakeholders, as well as researching potential investment opportunities in Southeastern Europe for Franklin Templeton funds. Additionally, he has served on the boards of several state-owned and private companies in the energy, industrial, and infrastructure sectors. Before joining Franklin Templeton, he held the position of portfolio manager at Raiffeisen Asset Management and investment analyst at Finas Invest. Mr. Metes holds two master's degrees - one in Banking and Capital Markets and the other in Political Organisation Management - and has dual bachelor's degrees in Banking and Stock Exchanges and Political Science, all obtained from Babes Bolyai University in Cluj-Napoca. Mr. Metes is a CFA charter holder, board member of the Romanian Fund Managers' Association (AAF) and is a full member of ANEVAR.

As at 31 December 2025, Mr. Metes held no shares issued by the Fund.

The remuneration of the AIFM

The fees due to AIFM are approved by shareholders and are part of the management agreements. The fees payable to the AIFM are calculated in RON and paid EUR - the amount calculated in RON is converted into EUR using the official exchange rate for RON to EUR published by the National Bank of Romania in the last banking day of the period invoiced. The fees are calculated and paid on a quarterly basis. The payment of the fees is performed after the computation of the fees is verified and certified by the Depositary of the Fund.

More details on the remuneration of the AIFM are presented in Remuneration Report of Fondul Proprietatea for 2025 which is available on the Fund's website in the section *Investor Relations – GSM Information* and that will be subject to Fund's shareholders advisory vote during 28/29 May 2026 Annual GSM.

Potential professional liability risks for AIFM

The AIFM will always maintain the capital requirements and insurance required under AIFM Directive and national legislation. The AIFM has in place the following insurance:

- Professional liability to provide against any failure to duly perform the management agreement;
- Fidelity bond to provide against any failure to account to the Fund for any money or investments.

The Depositary of the Fund

The Fund has appointed BRD – Groupe Societe Generale SA as its depositary and custodian, to hold and transfer the Fund's assets, and to certify the Fund's NAV, and the computation of the AIFM fees through a depositary and custody agreement entered into force on 20 May 2016 for a three-year term. The agreement was subsequently extended multiple times, and the current agreement expires on 20 May 2028.

The Depositary has the following main obligations under the agreement in place:

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- Physically safeguards all the Fund's financial instruments which can be physically delivered or registered or held in an account directly or indirectly in the name of the Depositary and are transferable securities including those which embed derivatives, money market instruments or units of collective investment undertakings (the Custody Assets);
- Verifies the ownership of, and maintain records on, all assets which do not qualify as Custody Assets and which, in accordance with applicable national law, are only directly registered in the name of the Fund with the issuer itself or its agent, such as a registrar or a transfer agent, based on the documents supplied by the Fund, as well as on external evidence (the Non-Custody Assets);
- Keeps in custody the Custody Assets belonging to the Fund, separately from the Depositary's assets or other Funds' assets, and registers them separately thus, as to be identifiable as the Fund's property;
- Settles the transactions with Custody Assets and Non-Custody Assets of the Fund in and from the Fund's accounts, according to the instructions received from the Fund and in accordance with the applicable Central Depositary's regulations;
- Collects the interests and other income related to the Custody Assets and exercises the rights conferred by such Custody Assets, in accordance with the proper instructions received from the Fund. The Depositary assists the Fund in recovering the difference of tax on dividends withheld by the issuers (in case of investments abroad or in Romania), according to the tax treaties in force;
- Certifies the value of the net assets, and the unit value of the net assets in compliance with the legal provisions in force;
- Makes the payment of the equivalent value of the financial instruments or participation interests purchased by the Fund, makes the payment of all the financial duties, including the payment of interests, taxes, fees and other operational costs of the Fund, makes payments for any other purposes, according to the proper instructions received from the Fund;
- Validates and certifies the calculation of the AIFM for the fees owed by the Fund to it;
- Provides proxy voting services upon request and according to the instructions received;
- Carries out any other activities provided by laws and regulations as part of its responsibility.
- Executes payments from the Fund's cash account only upon receiving proper instructions and only after assessing the operation as compliant to the legal provisions, Fund's articles of incorporation and regulations of the Fund;
- Transfers financial instruments from the securities account of the Fund only upon receipt of proper instructions, after the assessment of the operation as compliant with legal provisions, the provisions of the articles of incorporation of the Fund, and upon the receipt of the equivalent value of such financial instruments, where applicable;

Liability in case of safe-keeping of Custody Assets:

- In case of loss of a Custody Asset by the Depositary or by a third party to whom the custody was delegated by the Depositary, the Depositary shall be liable to the Fund in the conditions set forth by Article 21 (12) and (13) of AIFM Directive as such were transposed by Article 20 (13) and (14) of Law no. 74/2015, as well as by Articles 100 and 101 of EU Regulation 231/2013. In such conditions, unless the Depositary proves the existence of an exoneration cause set forth by the EU Regulation 231/2013, the Depositary shall return to the Fund identical Custody Asset or a custody asset with a corresponding value within maximum five business days upon the Fund's or the AIFM's request;

- In case of other damages produced by the Depositary in connection with safe-keeping of Custody Assets other than losses of such Custody Assets, the Depositary shall not be liable towards the Fund for its actions or inactions in relation to these obligations as long as they respect the legal provisions and the damages are not due to the Depositary's negligence, fraud, breach of agreement, bad faith or wilful default.

Liability in case of safe-keeping of Non-Custody Assets and other duties of the Depositary:

- With respect to all duties other than the safe-keeping of Custody Assets, the Depositary shall not be liable towards the Fund for its actions or inactions in relation to these obligations, as long as they respect the legal provisions, and, in addition, the Depositary shall not bear any prejudice or expense resulting from such action or inaction, except in the case where these are due to the Depositary's negligence, fraud, breach of agreement, bad faith or wilful default;
- The Depositary shall not be liable for the incompleteness or illegality of any investment made by third parties on behalf of the Fund's account and received by the Depositary from them or in case the investment is no longer valid or is fraudulent, either by reason of invalidity, forgery, falsity, incompleteness or otherwise except in so far as such situation results from the negligence, wilful default, bad faith, breach of agreement or fraud on the part of the Depositary;
- The Depositary shall not be liable to the Fund or any third party for any indirect consequential or special damages, including loss of profits or business opportunity, arising in connection with the agreement;
- Except as set out in the agreement concluded with the Fund and applicable law, the Depositary expressly disclaims all obligations to the Fund.

Other aspects

The auditor of the Fund

The auditor of the Fund for the year ended 31 December 2025 is Ernst & Young Assurance Services SRL, registered with the Trade Registry under no. J1999005964400, having Sole Registration Code RO11909783, member of the Chamber of Financial Auditors of Romania and registered in the Public Registry of Financial Auditors of ASPAAS with number FA77.

On 28 April 2021 the shareholders of the Fund approved the appointment of the Ernst & Young Assurance Services SRL as the financial auditor of Fondul Proprietatea for the financial years 2022, 2023, 2024.

On 27 September 2024 the shareholders of the Fund approved the appointment of the Ernst & Young Assurance Services SRL as the financial auditor of Fondul Proprietatea for the financial year ending 31 December 2025.

On 29 September 2025 the shareholders of the Fund approved the appointment of the Ernst & Young Assurance Services SRL as the financial auditor of Fondul Proprietatea for the financial years ending 31 December 2026, 31 December 2027 and 31 December 2028.

The supplementary audit report prepared by the financial auditor

On 14 August 2025 the Sole Director of the Fund received, from certain shareholders who also submitted the request for convening the GSM and who held 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.

On 22 August 2025, the Sole Director published the clarifications received from EY concerning the type and content of the supplementary audit report.

On 18 September 2025 the Sole Director of the Fund published the supplementary audit report from the Fund's financial auditor EY, dated 17 September 2025. According to the professional judgment of EY, the report was issued in accordance with the International Standard on Related Services 4400 (Revised), Agreed-Upon Procedures Engagements.

In addition, the BoN has initiated and organised the selection process, according to OGM Resolution no. 9/ 25 September 2023, including the selection and engagement of any consultants, and the approval of deliverables and payments. The Sole Director of the Fund has had a role limited to the payment of the invoices for the consultants after they were approved by the BoN.

The communications on this topic, including EY supplementary audit report, are published on Fund's website in the sections: (1) *Investor Relations – Investor reports/ (2) Press center - News/ (3) FAQs*.

The supplementary internal audit report prepared by the internal auditor

On 8 September 2025, the Sole Director of the Fund received from a group of shareholders of the Fund who hold together over 5% of the share capital, a request for the preparation of an internal audit report by the internal auditor of the Fund regarding the entire process conducted by the Board of Nominees for the selection of a new AIFM.

The Sole Director has submitted to the Fund's internal auditor the shareholders' request to prepare an internal audit report. The internal audit is an independent function that has determined the scope of work based on the request received and the sufficiency and adequacy of the information needed to perform the work under the agreed scope.

The communications on this topic are published on the Fund's website in the sections: (1) *Investor Relations – Investor reports/ (2) Press centre - News/ (3) FAQs*.

The provisions of the Romanian law under which the shareholders request was made do not impose a specific deadline for completing or presenting the internal audit report. Nevertheless, the Sole Director has acted promptly within its responsibilities and authority to ensure that the report is finalised within a reasonable timeframe.

On 6 February 2026 the Sole Director received the Internal Audit Report from the Fund's internal auditor, Forvis Mazars Romania SRL.

Pursuant to Article 164¹(3) of Companies Law no. 31/1990, the Sole Director has to convene a GSM in order to make available to the Fund's shareholders the Internal Audit Report prepared by Mazars, which should be available for shareholders analysis under the GSM Supporting documentation.

On 11 February 2026 the Sole Director of the Fund convened the OGM of the Fund for 30 March 2026, having on the agenda the presentation of the Internal Audit Report prepared by the internal auditor of Fondul Proprietatea, Forvis Mazars Romania S.R.L. The full report is available in the dedicated section of the Fund's website *Investor Relations – GSM Information*.

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.

Sponsorship activities

For 2025, in line with the Fund's Corporate Social Responsibility and Sponsorship Policy, sponsorships were granted to four beneficiaries, with a total value of RON 760,128. The amount was allocated equally among the beneficiaries. The beneficiaries were Asociatia Casa Buna, Asociatia Magic, Asociatia Daruieste Aripa and Asociatia de Sprijin a Copiilor Handicapati Fizic Romania.

These sponsorships strictly adhere to the Fund's Corporate Social Responsibility and Sponsorship Policy, supporting organisations that drive positive changes in both education and health sectors.

Importantly, these sponsorships do not result in any additional cost to the Fund; the amounts are redirected to the beneficiaries by the fiscal authorities from the corporate income tax already paid by the Fund.

Gender and nationality diversity

FTIS supports gender and ethnic diversity and promotion of women in management positions.

Franklin Templeton culture is founded on diversity, inclusion, and empowerment and the selection policy is to appoint the best qualified person for the job, considering factors such as diversity of gender, experience, and qualification. As a global company, Franklin Templeton believes it benefits from the unique skills and experiences of an inclusive workforce made up of employees who span different generations, capabilities, and cultural identification.

FTIS has numerous women involved in the management of the Fund. Also, people from more than 10 different nationalities are involved in the management 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, by own initiative, the required analysis with reference to the Board of Nominees – a specific entity of the Fund's structure, with oversight responsibilities, without being a management body.

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 date of the report submitted with the FSA, the composition of the Board of Nominees was 3 male members and 2 female members.

However, following the multiple changes within the Board of Nominees members, as at 31 December 2025, its composition consisted entirely of male members, without this being a concern considering that the Board of Nominees is not a management body.

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.

Conflicts of interests

Franklin Templeton conducts its business according to the principle that it must manage conflicts of interest fairly between Franklin Templeton and its clients, or between multiple clients. As a global investment manager, Franklin Templeton takes actual, perceived or potential conflicts of interest very seriously. It is Franklin Templeton's policy to maintain and operate effective organisational and administrative controls to identify and prevent conflicts of interest, adversely affecting the interests of its clients.

FTIS implemented a Conflicts of Interest Policy to address actual, perceived or potential areas of conflicts and to prevent or manage such conflicts as well as to ensure compliance with relevant regulatory requirements.

The **Board of Nominees** has also set strict rules for handling potential conflicts of interests in their mandate agreements and the Code of Ethics.

Regulatory framework

Governing legislation

The Fund operates in accordance with the provisions of the following main laws and regulations:

- Law no. 31/1990 regarding companies, with subsequent amendments;
- Law no. 82/1991 Accounting Law;
- Law no. 247/2005 regarding the reforms in the sectors of justice and property as well as certain related measures, with subsequent amendments;
- Law no. 10/2015 on amending Title VII of Law no. 247/2005 regarding the reforms in the sectors of justice and property, as well as certain related measures, with subsequent amendments;
- Law no. 74/2015 on alternative investment fund managers;
- Law no. 24/2017 on issuers of financial instruments and market operations;
- Law no. 162/2017 regarding the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements;
- Law no. 126/2018 on the markets of financial instruments;

- Law no. 129/2019 on anti-money laundering and counter-terrorist financing and for amending other regulations;
- Law no. 243/2019 on the regulation of alternative investment funds and supplementing certain acts;
- Government Decision no. 1481/2005 regarding the incorporation of Fondul Proprietatea;
- GEO no. 81/2007 for the acceleration of the compensation procedure related to the real estate abusively confiscated, with subsequent amendments;
- Regulation (EU) no. 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;
- Regulation (EU) no. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC;
- Regulation (EU) no 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC;
- Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;
- Regulation (EU) no. 1212/ 2018 of the European Parliament and of the Council of 3 September 2018 laying down minimum requirements implementing the provisions of Directive 2007/36/EC of the European Parliament and of the Council as regards shareholder identification, the transmission of information and the facilitation of the exercise of shareholders rights;
- FSA Regulation no. 9/2014 regarding the authorisation and functioning of the investment management companies, undertakings for the collective investment in transferable securities and the depositaries of undertakings for the collective investment in transferable securities
- 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 FSA – Financial Investments and Instruments Sector, with subsequent amendments;
- FSA Norm no. 13/2019 on the framework for the statutory financial audit of the entities authorised, regulated and supervised by the FSA, as subsequently amended;
- FSA Regulation no. 4/2013 on underlying shares for depositary receipts;
- FSA Regulation no. 10/2015 regarding the alternative investment funds management;
- FSA Regulation no. 5/2018 regarding the issuers of financial instruments and market operations;
- FSA Regulation no. 12/2018 on the implementation of certain provisions of Regulation (EU) no. 1286/ 2014 on key information documents for structured and insurance-based individual investment products;
- FSA Regulation no. 13/2019 on implementing the measures related to anti-money laundering and counter-terrorist financing within the financial sectors supervised by the FSA with subsequent amendments provided within FSA Regulation no. 18/2022;

- FSA Regulation no. 7/2020 on the authorisation and function of alternative investment funds, as subsequently amended;
- Corporate Governance Code of Bucharest Stock Exchange.

Regulatory updates

Amendment of the fiscal legislation

Law no. 141/2025 concerning certain fiscal-budgetary measures

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.

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 generates an increase of the Fund's expenses.

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 at least 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.

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 Fund's Audit and Valuation Committee structure is compliant with this requirement as at 31 December 2025.

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. 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 implemented the necessary changes to ensure compliance with the new regulatory requirements.

European Single Access Point

Regulation (EU) 2023/2859 establishes the European Single Access Point (ESAP) - a centralised platform to be operated by the European Securities and Markets Authority (ESMA) - providing public access to financial, capital markets and sustainability information disclosed by regulated entities across the EU. At the national level, Directive (EU) 2023/2864, which amends certain existing directives in relation to the establishment and functioning of ESAP, was transposed into Romanian legislation through Law no. 238/2025.

As a regulated issuer listed on the Bucharest Stock Exchange and subject to the disclosure obligations set out in applicable EU and Romanian capital markets legislation, the Fund falls within the scope of entities whose publicly disclosed information will progressively become accessible through ESAP. The implementation framework is phased, with initial data collection by designated national collection bodies expected to commence in the course of 2026, and public accessibility through the ESAP platform to follow thereafter, with full operationalisation envisaged by 2030. FSA has been designated as the relevant national collection body in Romania for the purposes of the ESAP framework in respect of the markets it supervises.

The Sole Director is monitoring the technical standards issued by the European Supervisory Authorities and will take all necessary steps to ensure timely and compliant submission of required information in the formats prescribed under the ESAP framework as the relevant implementation milestones become applicable.

Regulation no. 3/2025 on the supervision of implementation of international sanctions

Regulation no. 3/2025 is in force starting 21 September 2025 and it is applicable to all FSA regulated sectors. According to the regulation, entities must implement robust systems to:

- identify, screen, and monitor persons and entities subject to international sanctions;
- immediately freeze funds and economic resources of designated persons;
- prevent prohibited fund transfers or activities;
- ensure continuous monitoring and error reporting mechanisms.

A new mandatory function, the Compliance Officer for International Sanctions (COIS), must be appointed by the governing body. The COIS is responsible for coordinating sanctions compliance, reporting frozen funds immediately to FSA, and preparing annual and periodic compliance reports.

Entities must perform dedicated sanctions risk assessments, both at entity and client level, updates of internal policies, procedures, training programmes, and screening mechanisms, and periodic updates of their sanctions risk profile (at least every 4 years).

In terms of reporting obligations to the FSA, entities must submit: immediate notifications of fund freezes, reports on misidentification or screening errors, periodic reports in standardised electronic format.

FSA will conduct risk-based off-site and on-site supervision and may impose administrative sanctions for non-compliance.

The Fund fully implemented the requirements of Regulation no. 3/2025 within the deadline.

Risk Management

Overview of main risks

The Fund's investing activities expose it to various types of risks that are associated with the financial instruments and with the markets in which it invests. The most important financial risks the Fund is exposed to are market risk, valuation risk and credit risk. The management monitors the potential adverse effects on the financial performance of the Fund associated with these risk factors. In addition, non-financial risks such as operational risks, legal, regulatory risks and cyber risks are monitored and mitigated where possible. The management considers that the key risks are monitored and managed in line with the Fund's risk appetite and that controls and reporting functions are in place and aligned with the severity of the risks.

Since 29 September 2010, and continuously updated thereafter, the Fund management has implemented financial risk management procedures consistent with those applied globally by Franklin Templeton.

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>Valuation risk also includes sensitivity to model assumptions and macroeconomic inputs, which are periodically reviewed.</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 arising from non-market-based 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>

Description of risk	Mitigating action
<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>
<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. This risk is heightened during periods of strategic transition, including changes in AIFM or senior management.</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. There is no assurance that such measures will eliminate or materially reduce the discount. 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>

Description of risk

Mitigating action

Operational and cyber risk

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 the reputation of the Fund. Operational risks arise from all the Fund's operations.

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 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.

Legal and regulatory risk

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.

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.

Strategic and AIFM transition risk

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.

During 29 September 2025 GSM the shareholders approved the cancellation of the selection process carried out based on the shareholders decision during 25 September 2023 GSM. During the same GSM the shareholders approved the initiation by the BoN of a new, simplified, transparent, and efficient selection process for an AIFM and Sole Director of Fondul Proprietatea, which shall not exceed 150 days.

During 26 February 2026 GSM the shareholders approved the appointment of FTIS as Sole Director and AIFM of Fondul Proprietatea for a duration of 1 year starting with 1 April 2026 but not exceeding the date on which a new AIFM is appointed as a result of the finalisation of the selection process. On 27 March 2026 FTIS announced it has accepted the mandate.

A new strategy resulting following the selection process may be significantly different compared to the terms and conditions under which FTIS has managed Fondul.

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.

On 13 March 2026, the Sole Director of the Fund submitted an expression of interest in the ongoing selection process for the Fund's AIFM.

On 17 March 2026, the NRC of the Fund informed the market that 3 fund managers submitted letters of intent in the selection process, including FTIS, with next steps to be announced in the coming period.

Potential transition planning, documentation handover, and continued application of existing risk management frameworks mitigate potential disruption during any change of AIFM.

Source: Fondul Proprietatea

Internal control and risk management

Franklin Templeton has implemented internal policies and procedures for the Fund to ensure that timely and accurate disclosure is made on all material compliance matters, including the investment restriction breaches, NAV errors, regulatory reporting, and disclosures. In addition, strict internal rules, designed to protect the Fund's interests, have been established in the areas of financial reporting, internal control, and risk management.

Franklin Templeton's approach is to use a dedicated team of risk management specialists who are independent of the portfolio managers and provide robust risk and performance analytics and unbiased perspective on the risks and exposures in the portfolios.

Franklin Templeton has established the Compliance department responsible for managing the compliance risk of the AIFM and of the Fund, considering the applicable legislation as well as the internal policies and procedures. The Compliance department is responsible for providing regulatory guidance, advice, and compliance training to operational departments, assisting them in managing the reputational risk in relation to legal and regulatory requirements and codes of conduct and performing second level compliance controls.

The Fund and FTIS are covered by relevant policies, procedures and global good standing practices implemented within the Franklin Templeton group as required by regulatory requirements.

FTIS has implemented a Risk Management Policy applicable to the Fund. The purpose of this policy is to outline the main business processes in place and to establish an effective risk framework which observes regulatory requirements and thereby enhances the governance structure throughout the business.

Franklin Templeton oversees the key compliance risks based on the annual Compliance Monitoring Plan. The risk assessment is a critical element of the compliance oversight and monitoring program. The high-risk areas are reviewed at least annually to reflect the results of the final risk assessment for each year.

In respect of the portfolio monitoring activity, Franklin Templeton has implemented procedures and controls which are designed to ensure that all assets are managed prudently and in accordance with client mandates. In addition, Franklin Templeton has a dedicated Investment Compliance team of specialists who are responsible for the rigorous day-to-day monitoring of all accounts, including Fondul Proprietatea, against the agreed investment guidelines and constraints.

The front office trade management system has embedded compliance functionality which enables investment restrictions, regulatory and internal requirements to be included within the system. All trade orders (with the exception of foreign exchange trades and certain debt and derivative security trades) are automatically checked against the relevant investment restrictions in the system prior to trading.

Post trade compliance checks are automatically run overnight for all portfolios against the investment restrictions included within the trade management system. Any exceptions are investigated and cleared by Franklin Templeton Investment Compliance team. Investment restrictions that cannot be automated are reviewed periodically.

All active and passive breaches are reported to the relevant investment managers, Compliance department, and operating departments. Corrective action is taken as necessary to address and resolve any issues. Trading errors are monitored by the Investment Compliance department of Franklin Templeton. Compliance department produces monthly reports providing details on material compliance matters and initiatives, updates on monitoring activities and current client complaints and breaches. These reports are circulated to the relevant senior management.

The FTIS Risk Management Committee of Franklin Templeton provides the oversight framework for risk management processes and is made up of senior management from the business areas and key risk and control functions. Meeting quarterly, it reviews risk reports and input from business management and maintains a detailed register of risk items and resolutions.

The Board of FTIS provide oversight, being aware of the risk management practices and their deployment within the firm, staying apprised of significant risks and management responses.

Risk management systems

The AIFM has established a permanent risk management function to ensure that effective risk management policies and procedures are in place and to monitor the risks and compliance with risk limits. The AIFM has a risk management process document filed with the regulator of the AIFM and risk management policies which cover the risks associated with the Fund and the adequacy and effectiveness of this framework is reviewed and approved at least annually. Regular reporting is prepared and reviewed by the AIFM Senior Management.

For each relevant risk area, risk limits are set by the AIFM considering the objectives, strategy, and risk profile of the Fund. These limits are monitored regularly as required by the nature of the risk area, and the sensitivity of the portfolio to key risks is undertaken periodically as appropriate to ascertain the impact of changes in key variables to the Fund. Diversification and concentration limits are set for the management of market risk and are monitored daily.

An important part of the Fund's assets consists of unlisted securities. The principal risks in relation to the Fund are therefore market risk, valuation risk and credit risk. Further details in relation to the nature and extent of these risks are presented above in *Overview of Main Risks* section and in the Audited IFRS financial statements of the Fund, Annex 1 to this report.

Amongst other measures considered regularly, the AIFM is assessing and monitoring market risk through relative Value at Risk (VaR) calculated using the Monte Carlo approach. VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR can be defined as the predicted loss a portfolio can experience at a specified confidence level (e.g. 99%) over a given period of time (e.g. 20 days).

The VaR calculations are based on a confidence level of 99% with a holding period of not greater than 1 month (20 days) and a historical observation period of not less than 1 year (250 days). A 99% 1-month VaR means that the expectation is that 99% of the time over a 1-month period the Fund will lose less than this number in percentage terms. Therefore, higher VaR numbers indicate higher risk.

The AIFM uses the relative VaR methodology and calculates this figure for the portfolio using observable prices for listed securities and proxies for the unlisted holdings. The appropriateness of proxies is reviewed periodically. Relative VaR is simply the absolute VaR of the portfolio divided by the absolute VaR of the benchmark. The benchmark used is the one that is most representative of the Fund's strategy and likely risk exposures.

It is noted that the use of this VaR methodology, as any other statistical risk measure, has limitations. There is some probability that the loss could be greater than the VaR amounts and therefore the AIFM can neither guarantee that losses will not exceed the indicated VaR, nor that losses in excess of the VaR amounts will not occur more frequently. Risk statistics are subject to fluctuations and historical figures may not reflect current or future portfolio characteristics.

The AIFM assesses on a regular basis the sensitivity of the Fund's portfolio in relation to local and global markets, commodities, as well as historical scenarios.

The Fund's equity trading activity is conducted on a Delivery versus Payment basis with approved counterparties only, minimising counterparty exposure. Any counterparty is subject to a review and approval process prior to any trading activity. The risk function of the AIFM prepares and assesses counterparty exposure reports regularly and reviews the reporting provided by FT Counterparty Credit Committee.

No risk limits set by the AIFM have been exceeded or were likely to be exceeded during 2025.

Liquidity risk

As at 31 December 2025, the Fund held 88.7% of the NAV in unlisted securities. In addition, the total unlisted holdings and listed but not liquid holdings represent 89.4% of the NAV at 31 December 2025. There were no assets subject to special arrangements arising from their illiquid nature.

The Fund's closed-end structure has relatively low liquidity requirements, reducing the impact of potential illiquidity in the portfolio. The risk function of the AIFM performs a regular assessment of the asset liquidity status using liquidity market data from different sources to ensure that the portfolio is sufficiently liquid in normal and exceptional market conditions.

The Fund's shares are not redeemable, and shareholders do not have the right to require their shares to be purchased by the Fund. Accordingly, the general liquidity management policies ensure the Fund's portfolio is sufficiently liquid to meet the following main obligations:

- the Fund's operating and financing expenses: in practice, these expenses are typically covered by dividends received from the Fund's holdings; and
- the potential need to repay borrowings at short notice, which might require to be met by the sale of liquid assets.

Leverage under AIFM Directive considerations

The leverage definition under AIFM Directive is wider than the traditional gearing definition applied. In accordance with the Regulation (EU) 231/2013 leverage is any method which increases the Fund's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of Fund's exposure to its net asset value and is calculated on both a gross and commitment method.

Under the gross method, exposure represents the sum of the Fund's positions (including all holdings like ordinary shares) after deduction of cash balances and cash equivalents, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and cash equivalents and after certain hedging and netting positions are offset against each other if applicable.

The use of derivative financial instruments is permitted. The Fund is not using derivatives to hedge any risks as at 31 December 2025.

The maximum incremental level of leverage which the AIFM is entitled to employ on behalf of the Fund for AIFM Directive monitoring and reporting purposes is 50% which, considering 100% of long assets held in the portfolio, relates to a ratio of 1.5 (or 150%) for both the gross method and the commitment method.

There was no change to the level of leverage applied for AIFM Directive monitoring and reporting purposes since 1 January 2025.

Therefore, the actual level of leverage recorded under the requirements of AIFM Directive for 31 December 2025 is 100% using the "commitment" method and 93.99% under the "gross" method.

Subsequent Events

GSM for approving the repurchase of the Fund's minority stake in CNAB

On 9 January 2026, at the second convening, CNAB's EGM approved, with majority of votes (80%), the proposals from Note no. DF/1249/17.11.2025 regarding the approval of the intention to repurchase the minority stake held by Fondul Proprietatea SA in CNAB. Pursuant to the Note no. DF/1249/17.11.2025, the following were put forward for approval by CNAB's EGM:

1. Mandating the executive management of CNAB to initiate the steps prior to the transaction to purchase the minority stake held by Fondul Proprietatea SA in CNAB.
2. Approval of the initiation of a procedure for the acquisition of financial consultancy and legal assistance services for the structuring of the transaction, the valuation of the participation, assistance in negotiation, the finalisation of legal documents for the completion of the transaction mentioned under point 1.

Any transaction involving the Fund's assets whose value exceeds, individually or cumulatively, during a financial year, 20% of the total fixed assets of the Fund will be subject to approval by the EGM of the Fund, in accordance with the provisions of the Constitutive Act and the legislation in force.

This decision represents a potential liquidity event for Fondul Proprietatea, which the Sole Director is treating with appropriate diligence, including by initiating the steps to select advisors specifically suited to such a process.

The Sole Director will engage with the company's management, its advisors and all other relevant stakeholders to ensure the best outcome for the Fund's shareholders. The Sole Director will provide further updates or communications on this matter as deemed relevant – these will be available on the Fund's website, section *Press Centre - News*.

26 February 2026 GSM of the Fund

Convening the GSM

On 29 December 2025 the BoN submitted to the Sole Director a request to convene a GSM of the Fund, including the proposed points on the agenda and the rationale for convening the GSM. On 30 December 2025 FTIS received an additional request to convene the GSM of the Fund from a number of shareholders jointly holding 7.33% of the Fund's share capital.

On 12 January 2026, the Sole Director of the Fund convoked the 26 February 2026 GSM (with the convening notice being published on the BVB and Fund's website on 13 January 2026 in the morning, before opening of BVB trading session).

On 23 January 2026, as amended on 28 January 2026, the Sole Director received from certain shareholders holding more than 5% of the Fund's share capital, a request to supplement the agenda of the GSM by introducing new items.

On 30 January 2026 the Sole Director received from the shareholder Ministry of Finance, which holds more than 5% of the share capital of Fondul Proprietatea, a request to supplement the agenda of the GSM by introducing new items.

Also, the Sole Director's decided on 30 January 2026 to amend the convening notice and supplement the agenda of the GSM by introducing new items.

The final form of the convening notice, including all additional items received from shareholders and the items added by the Sole Director, was published on 4 February 2026.

All documents related to the above are available on the Fund's website, section *Investor Relations – Investor reports*.

Shareholders resolutions during 26 February 2026 GSM

A summary of the main items on the GSM agenda together with main shareholders resolutions during 26 February 2026 GSM is included below, while the full GSM documentation is published in the dedicated section of the Fund's website *Investor Relations – GSM Information*.

- **EGM Item 1:** Presentation by the BoN on the outcomes of the shareholder questionnaires and the engagement process carried out with shareholders.

(Item added by the Board of Nominees)

Item 1 was not subject to vote.

- **EGM Item 2:** Approval to mandate the Fund Manager to implement the conclusions of the shareholders consultation in the Fund's IPS. The IPS will be presented for approval to the Fund's shareholders in accordance with the Constitutive Act of the Fund.

(Item added by the Board of Nominees)

Item 2 was approved by shareholders.

- **EGM Item 3:** The in-principle approval of the consolidation of the nominal value of a share of Fondul Proprietatea, by increasing the nominal value of the shares simultaneously with the reduction of the total number of shares (100 shares with a nominal value of 0.52 RON/share = 1 share with a nominal value of 52 RON/share). The Fund Manager is empowered to submit for shareholders' approval within the 2026 Annual EGM the necessary resolutions for the related implementation, including the price, the terms and conditions of payment, the registration and implementation steps, the corresponding amendments to the Fund's Constitutive Act.

(Item added by a shareholders' group holding more than 5% of the share capital)

Item 3 was approved by shareholders.

- **EGM Item 4:** The approval of the reduction of the subscribed share capital of Fondul Proprietatea from RON 1,664,407,948.32 to RON 1,600,392,258, through the reduction of the nominal value of the shares from 0.52 RON to 0.50 RON per share. The reduction is motivated by the optimization of the share capital and the return to the shareholders of a part of their contributions, proportional to their participation in the paid-up share capital of Fondul Proprietatea SA. The payment deadline is set for 29 June 2026.

(New item added on the agenda at the request of a shareholders' group holding more than 5% of the share capital dated 28 January 2026)

Item 4 was not approved by shareholders.

- **EGM Item 5:** Subject to Item 4 on the EGM agenda being approved, the approval of the decrease of the subscribed and paid-up share capital of Fondul Proprietatea by RON 126,048,668.50, from RON 1,600,392,258 to RON 1,474,343,589.50, pursuant to the cancellation of 252,097,337 own shares acquired by the Fund during 2025 through the 16th buy-back programme.

(New item added on the agenda by the Sole Director on 30 January 2026)

Item 5 was not approved by shareholders.

- **EGM Item 6:** Subject to Item 4 on the EGM agenda not being approved, the approval of the decrease of the subscribed and paid-up share capital of Fondul Proprietatea by RON 131,090,615.24, from RON 1,664,407,948.32 to RON 1,533,317,333.08, pursuant to the cancellation of 252,097,337 own shares acquired by the Fund during 2025 in Buy-back programme no. 16.

Item 6 was no longer submitted to vote.

- **EGM Item 7:** The Sole Director's authorisation to buy-back shares of Fondul Proprietatea via trading on the regular market on which the shares of FP are listed or purchased by public tender offers, for a maximum number of 294,868,717 shares, during 2026, at a price between RON 0.2 per share and RON 2 per share, considering the current nominal value of 0.52 RON/share. The transaction can only have as object fully paid shares. The buy-back programme is aimed at the share capital decrease. This buy-back programme implementation will be done exclusively from FP own sources.

(Item added by a shareholders' group holding more than 5% of the share capital and by the Sole Director)

Item 7 was not approved by shareholders.

- **OGM Item 1:** Approval of: (a) the appointment of FTIS as Sole Director and AIFM of Fondul Proprietatea for a duration of 4 years starting with 1 April 2026 and until 1 April 2030; and (b) the commercial terms along with the execution of the new Management Agreement (in the form described in the supporting documentation) between Fondul Proprietatea and FTIS.

(Item added by the Board of Nominees)

Item 1 was not approved by shareholders.

- **OGM Item 2:** Alternative to Item 1 on the OGM agenda: Approval of: (a) the appointment of FTIS as Sole Director and AIFM of Fondul Proprietatea for a duration of 1 year starting with 1 April 2026 and until 1 April 2027 but not exceeding the date on which a new AIFM is appointed as a result of the finalisation of the selection process for the appointment of a new AIFM; and (b) the commercial terms along with the execution of the new Management Agreement (in the form described in the supporting documentation, with the corresponding amendment of Article 15 "Duration of this Management Agreement") between Fondul Proprietatea and FTIS.

(New item added on the agenda at the request of the shareholder Ministry of Finance dated 30 January 2026)

Item 2 was approved by shareholders.

- **OGM Item 3:** In case of rejection of Item 1 on the OGM agenda, the approval of: (a) the appointment of FTIS as Sole Director and AIFM of Fondul Proprietatea for a duration of 1 year starting with 1 April 2026 and until 1 April 2027; and (b) the commercial terms along with the execution of the new Management Agreement (in the form described in the supporting documentation) between Fondul Proprietatea and FTIS, it being understood that such terms will include a Base Fee Rate of 200 basis points per year applied to the "notional amount" (as defined in Annex 1 of the draft Management Agreement included in the supporting documentation), while the Distribution Fee shall be of 200 basis points applied to "distribution amount" (as defined in Annex 1 of the draft Management Agreement included in the supporting documentation).

(New item added on the agenda by the Sole Director on 30 January 2026)

Item 3 was not approved by shareholders.

- **OGM Item 4:** The appointment for a period of 3 years of 1 member of the BoN of Fondul Proprietatea. The mandate of the new member of the BoN shall start on the date the candidate appointed by the OGM accepts such appointment.

Mr. Stefan Nanu was appointed as member of the BoN of the Fund for a period of 3 years.

- **OGM Item 5:** The approval of the immediate revocation of Mr. Istvan Sarkany from the position as member of the BoN.

(New item added on the agenda at the request of the shareholder Ministry of Finance dated 30 January 2026)

Item 5 was approved by shareholders.

- **OGM Item 6:** The approval of the immediate revocation of Mr. Florian Munteanu from the position as member of the BoN.

(New item added on the agenda at the request of the shareholder Ministry of Finance dated 30 January 2026)

Item 6 was approved by shareholders.

- **OGM Item 7:** The appointment for a period of 3 years of 1 member of the BoN of Fondul Proprietatea in the vacant position resulting from the revocation of Mr Istvan Sarkany. The mandate of the new member of the BoN will commence on the date the candidate appointed by the OGM accepts this mandate.

(New item added on the agenda at the request of the shareholder Ministry of Finance dated 30 January 2026)

Mrs. Alina Petre was appointed as member of the BoN of the Fund for a period of 3 years.

- **OGM Item 8:** The appointment for a period of 3 years of 1 member of the BoN of Fondul Proprietatea in the vacant position resulting from the revocation of Mr Florian Munteanu. The mandate of the new member of the BoN will commence on the date the candidate appointed by the OGM accepts this mandate.

(New item added on the agenda at the request of the shareholder Ministry of Finance dated 30 January 2026)

As no candidate obtained the statutory majority provided by the Fund's Constitutive Act for being elected as member of the BoN, the seat remaining vacant.

- **OGM Item 9:** The approval of the operating rules for the AVC, as adopted by the BoN, in accordance with the Resolution no. 20 the Fund's 21 November 2025 OGM. The BoN is authorised and empowered to modify the Operating Rules of the AVC.

Item 9 was not approved by shareholders.

- **OGM Item 10:** The approval of the Operating Rules for the BoN in accordance with the Resolutions no. 21, 22 and 23 of the Fund's 21 November 2025 OGM. The BoN is authorised and empowered to modify the Operating Rules of the BoN.

Item 10 was not approved by shareholders.

- **OGM Item 11:** The approval of the implementation of a permanent Market-Making Programme to ensure deep and consistent liquidity for the Fund's shares across the market. The Sole Director is mandated to identify and implement relevant measures in relation to the market-making programme in accordance with the regulatory framework and the legal responsibilities of the Fund Manager.

(Item added by a shareholders' group holding more than 5% of the share capital)

Item 11 was not approved by shareholders.

- **OGM Item 12:** The approval of the implementation of enhanced transparency and disclosure standards, including clear strategic guidance on the Fund's future. The Sole Director is mandated to identify and implement relevant measures in a reasonable timeframe in accordance with the regulatory framework and the legal responsibilities of the Fund Manager.

(Item added by a shareholders' group holding more than 5% of the share capital)

Item 12 was not approved by shareholders.

- **OGM Item 13:** Approval for the initiation of a full cost and fee structure review to ensure total alignment with shareholder value creation. The Sole Director is mandated to identify and implement relevant measures in a reasonable timeframe and in accordance with the other resolutions of the GSM, the regulatory framework and the legal responsibilities of the Fund Manager.

(Item added by a shareholders' group holding more than 5% of the share capital)

Item 13 was not approved by shareholders.

- **OGM Item 14:** The appointment of Deloitte Consultanta SRL for conducting the valuation related to the sale of CN Aeroporturi Bucuresti S.A., where the Fund holds a 20% stake in their share capital as of 31 December 2025, representing 58.34% of the NAV and setting the maximum level of its remuneration for the valuation services described at the value (excluding VAT) of 28,000 EUR.

(New item added on the agenda at the request of a shareholders' group holding more than 5% of the share capital dated 28 January 2026)

Item 14 was not approved by shareholders.

Launch of the second selection process for the AIFM and Sole Director

The Sole Director of the Fund informed the market that on 23 January 2026, it received, from the BoN of the Fund, a request to publish the announcement regarding the Launch of the selection process for the AIFM and Sole Director of Fondul Proprietatea.

The candidates were invited to submit a letter of intent/ expression of interest no later than 15 March 2026. Further announcements of the BoN regarding the selection process were published on 18 February 2026 (containing a reminder of the key deadlines and contact details) and on 12 March 2026 (containing updated selection contact details).

On 17 March 2026 the Nomination and Remuneration Committee the Fund informed the market regarding the results of the first stage of the selection process - by the deadline of 15 March 2026, three fund managers submitted letters of intent, as follows:

- Franklin Templeton International Services S.à r.l.
- INVL Asset Management UAB, together with its local partner Impetum Management S.R.L.
- SAI Muntenia Invest S.A.

Also, the NRC mentioned that it will inform the market, in the coming period, regarding the timetable of the subsequent stages of the selection process.

The full announcements mention above as well as any further announcements on this topic are available on the Fund's website, section *Press Center - News*.

Internal audit report prepared by the Fund's internal auditor at the shareholders' request

Further to the request dated 8 September 2025 made by certain shareholders of Fondul Proprietatea, holding more than 5% of the total voting rights, addressed to the Fund's internal auditor, to prepare an internal audit report regarding the entire process conducted by the former BoN for the selection of a new AIFM, on 6 February 2026 the Sole Director received the Internal Audit Report from the Fund's internal auditor, Forvis Mazars Romania SRL.

Pursuant to Article 164¹(3) of Companies Law no. 31/1990, the Sole Director has to convene a GSM in order to make available to the Fund's shareholders the Internal Audit Report prepared

by Mazars, which will be available for shareholders analysis under the GSM Supporting documentation.

On 11 February 2026 the Sole Director of the Fund convened the OGM of the Fund for 30 March 2026, having on the agenda the presentation of the Internal Audit Report prepared by the internal auditor of Fondul Proprietatea, Forvis Mazars Romania S.R.L. The full report is available in the dedicated section of the Fund's website *Investor Relations – GSM Information*.

Disclosure of holding - Lion Capital SA

On 9 February 2026, Lion Capital SA sent a disclosure of holding over 5% of the total voting rights held in the Fund. According to the disclosure, Lion Capital SA held at 5 February 2026 (date of exceeding the threshold) a number of 170,661,463 voting rights, representing 5.332% of the total voting rights in Fondul Proprietatea at 5 February 2026 (i.e., 3,200,784,516).

On 12 March 2026, Lion Capital SA sent a disclosure of holding over 10% of the total voting rights held in the Fund. According to the disclosure, Lion Capital SA held at 10 March 2026 (date of exceeding the threshold) a number of 337,627,028 voting rights, representing 10.548% of the total voting rights in Fondul Proprietatea at 10 March 2026 (i.e., 3,200,784,516).

Registration with the Trade Registry of the updated Constitutive Act

The updated Constitutive Act as per EGM Resolution no. 3 of 29 September 2025 (including various amendments in line with the new Corporate Governance Code of BVB and other regulatory requirements) was authorised by FSA through the Authorisation no. 158/ 19 December 2025 and entered into force on 5 January 2026, at the date of registration with the Trade Registry.

The updated Constitutive Act as per EGM Resolution no. 4 of 20 November 2025 (including the change of deadline for holding the annual GSM from 4 months to 5 months, in line with the regulatory updates), was authorised by FSA through the Authorisation no. 36/ 13 February 2026 and entered into force on 2 March 2026, at the date of registration with the Trade Registry.

The current version of the Fund's Constitutive Act can be found on the Fund's webpage in the section *About the Fund - Fund Overview - Corporate Governance*. The Constitutive Act of the Fund in force at 31 December 2025 is included in Annex 6 of this report.

Approval of the share capital increase by the EGM of CN Administratia Porturilor Maritime SA

During the GSM held on **12 February 2026**, the shareholder Ministry of Transport gave the final approval for the purchase price for 100% of the shares of ICS Danube Logistics and approval of the share sale-purchase agreement.

On **26 February 2026**, CN Administratia Porturilor Maritime SA communicated to the Fund the convening notice for the EGM of the company scheduled for 30/31 March 2026, having on the agenda, among other items, the approval of the increase of the company's share capital.

On **30 March 2026**, the EGM of the CN Administratia Porturilor Maritime SA approved the increase of the company's share capital by a maximum amount of RON 281,625,500, through cash contributions, at a nominal value of RON 10 per share, by issuing a maximum number of 28,162,550 new registered, dematerialized shares, without share premium, with the observance of the pre-emptive rights of existing shareholders.

Fondul Proprietatea holds a 20% stake in CN Administratia Porturilor Maritime SA and should contribute with RON 56.3 million in order to avoid a dilution of its minority stake down to 10.7%, from 20%.

In connection with the above, on **3 April 2026** the Sole Director of the Fund stated the intention to exercise the pre-emption (preference) right to which the Fund is entitled in connection with the share capital increase operation approved by CNAPM, with the objective of preserving the Fund's existing holding percentage in the share capital of CNAPM.

During the same announcement, the Sole Director mentioned that it reserves the right to use all legal means necessary under applicable law in order to protect the legitimate interests of the Fund in connection with the share capital increase of CNAPM, taking into account the following considerations:

- The transaction intended to be financed through the share capital increase operation has not yet been completed (based on the current information available to the Sole Director). In the event that the share capital increase is finalised without the completion of the underlying transaction for which it is purportedly intended, the Fund would be materially prejudiced, as it would be required to deploy financial resources without a clear, defined or economically justified use by CNAPM, resulting in an inefficient allocation of the Fund's capital and potential harm to the Fund's interests;
- Inefficient financing structure. The proposed structuring of the transaction envisages financing exclusively through a share capital increase, which constitutes an inefficient use of the CNAPM's financial resources. Market practice for comparable transactions typically involves a significant component of debt financing, aimed at ensuring an efficient allocation of capital. In this regard, CNAPM is in a particularly strong position, given its strong current cash position.

The full announcements mention above as well as any further announcements on this topic are available on the Fund's website, section *Press Center - News*.

30 March 2026 GSM of the Fund

Convening the GSM

On 11 February 2026 the Sole Director convoked the OGM of the Fund for 30 March 2026. On 2 March 2026, the Sole Director received two requests to add new items on the agenda of the GSM of Fondul Proprietatea convened for 30 March 2026, as follows:

- from the shareholder Lion Capital SA, holding 8.7383% of the Fund's share capital; and
- from certain shareholders of the Fund holding together more than 5% of the Fund's share capital.

On 3 March 2026 Lion Capital SA sent an updated request for supplementing the convening notice of the 30 March 2026 OGM, by which it withdrew one of the items submitted on 2 March 2026 to be included on the agenda.

The final convening notice, including all additional items received from shareholders, was published on 5 March 2026.

All documents related to the above are available on the Fund's website, section *Investor Relations – Investor reports*.

Shareholders resolutions during 30 March 2026 GSM

A summary of the main items on the GSM agenda together with main shareholders resolutions during 30 March 2026 GSM is included below, while the full GSM documentation is published in the dedicated section of the Fund's website *Investor Relations – GSM Information*.

- **OGM Item 1:** presentation of the Internal Audit Report prepared by the internal auditor of Fondul Proprietatea, Forvis Mazars Romania S.R.L., at the request of shareholders holding

together more than 5% of the total voting rights, related to the process carried out by the former BoN for the selection of a new AIFM, as described in the supporting documentation.

Item 1 was not subject to voting.

- **OGM Item 2:** the immediate revocation of Mr. Matej Rigelnik from his position as member of the BoN of Fondul Proprietatea.

(New item added on the agenda at the request of the shareholder Lion Capital SA)

Item 2 was approved by shareholders.

- **OGM Item 3:** the appointment for a period of 3 years of a member of the BoN of Fondul Proprietatea in the vacant position resulting from the revocation of Mr. Matej Rigelnik. The mandate of the new member of the BoN will begin on the date the candidate appointed by the OGM accepts this mandate.

(New item added on the agenda at the request of the shareholder Lion Capital SA)

Mr. Lucian Danilescu was appointed as member of the BoN of Fondul Proprietatea for a period of 3 years.

- **OGM Item 4:** the approval of the immediate revocation of Mr. Andrei-Octav Moise from the position as member of the BoN.

(New item added on the agenda at the request of a shareholders' group holding more than 5% of the share capital)

Item 4 was not approved by shareholders.

Updates regarding the BoN and the consultative committees

Following the resolutions of the 26 February 2026 GSM and the Fund's Board of Nominees decision of 5 March 2026, starting with 5 March 2026, Mr. Stefan Nanu was appointed as Chairperson of the Board of Nominees.

At the same time, pursuant to the BoN decision dated 5 March 2026, Mr. John F. Walsh was appointed as interim member of the BoN until the next OGM to be convened by the Sole Director, which will include on its agenda the appointment of a new BoN member.

On 6 March 2026, Mr. John F. Walsh accepted the mandate as interim member of the Board.

Starting with 6 March 2026, the composition of the BoN was the following:

- Mr. Stefan Nanu – Chairperson
- Mr. Matej Rigelnik – Member
- Mr. Andrei-Octav Moise – Member
- Mrs. Alina-Mirela Petre - Member
- Mr. John F. Walsh – Interim Member

Following the decision of the BoN regarding the changes in the membership of the consultative committees of the Fund effective 11 March 2026, the membership of the committees was as follows:

Audit and Valuation Committee

- Ms. Kristine - Monica Bago – Chairperson
- Mrs. Alina – Mirela Petre – Member
- Mr. Andrei – Octav Moise – Member

Nomination and Remuneration Committee

- Mr. Andrei – Octav Moise – Chairperson
- Mr. Ștefan Nanu – Member
- Mr. John F. Walsh – Member

On 25 March 2026, the Sole Director received from Mr. Matej Rigelnik a letter regarding his resignation from his position as member of the BoN as well as his reasons for the decision. Mr. Matej Rigelnik stated in the letter that the resignation is effective as of 25 March 2026. On 30 March 2026, the Fund's GSM approved the immediate revocation of Mr. Matej Rigelnik from the position as member of the BoN of Fondul Proprietatea.

In addition, during the same GSM, the shareholders approved the appointment of Mr. Lucian Danilescu as member of the BoN of Fondul Proprietatea for a period of 3 years starting on the date the candidate accepts the mandate – namely 2 April 2026.

As a result, starting with 2 April 2026, the composition of the BoN was the following:

- Mr. Stefan Nanu – Chairperson
- Mr. Andrei-Octav Moise – Member
- Mrs. Alina-Mirela Petre - Member
- Mr. Lucian Danilescu - Member
- Mr. John F. Walsh – Interim Member

Conpet SA litigation

On 25 March 2026, the High Court of Cassation and Justice, Second Civil Section, rejected as unfounded the appeal filed by the appellant Conpet SA against decision no. 67/26.02.2025, pronounced by the Ploiesti Court of Appeal in court case 2432/1/2025 which means that the decision remains as final.

As such, Conpet SA is obliged to pay to Fondul Proprietatea both the value of the dividends and the related legal interest, calculated starting with 25 April 2007 and until the date of actual payment. As per the Funds calculation, the total estimated amount to be received is approximately RON 2 million, comprising the dividend amount, related legal interest, and legal costs. The Fund is currently analysing the Court's decision and will prepare the next required steps to implement the decision.

Mandate acceptance by FTIS

On 27 March 2026 FTIS as Sole Director and AIFM of the Fund informed shareholders and investors that it has accepted the mandate granted by the shareholders of the Fund pursuant to OGM Resolution no. 1 of 26 February 2026, for a term of 1 year, starting on 1 April 2026 and ending on 1 April 2027, but not beyond the date on which a new AIFM is appointed following the completion of the current selection process.

The related Management Agreement dated 26 March 2026 in force for a period of 1 year starting 1 April 2026 is published on the Fund's website, section *About the Fund - Fund Overview - Corporate Governance*.

Request to convene the EGM of the Fund

On 2 April 2025 the Sole Director of the Fund received, from a shareholder of the Fund holding 10.5951% of the share capital, a request to convene the EGM and supporting documentation, with the following agenda:

- Approval of the participation of Fondul Proprietatea SA in the share capital increase of CN Administratia Porturilor Maritime SA, as approved by Resolution no. 1/30 March 2026 of the EGM of CNAPM, based on its capacity as shareholder and its pre-emptive right, for the full preservation of the Fund's stake in the share capital of the CNAPM;
- Approval of the mandate for the Sole Director of the Fund to execute all deeds and carry out all formalities required for the subscription in the share capital increase of CNAPM.

In connection with the above, on 3 April 2026 the Sole Director stated the intention to exercise the pre-emption (preference) right to which the Fund is entitled in connection with the share capital increase operation approved by CNAPM, with the objective of preserving the Fund's existing holding percentage in the share capital of CNAPM.

In addition, the Sole Director of the Fund will implement all the necessary measures to protect Fondul Proprietatea's interests related to its holding in CN Administratia Porturilor Maritime SA.

The shareholder request for convening the EGM of the Fund is available on the Fund's website, section *Investor Relations - Investor Reports*. Any additional information regarding the convening of the Fund's GSM and related materials is available on the Fund's website, section *Investor Relations - GSM Information*.

Disclosure of holding - Axor Holding, Equinox, Intus Invest and Matej Rigelnik

On 2 April 2026, the shareholders Axor Holding D.D., Equinox D.D., Intus Invest D.O.O., and Matej Rigelnik sent a disclosure of holding over 5% of the total voting rights held in the Fund.

According to the disclosure, as at 31 March 2026 (date of exceeding the threshold), shareholders Axor Holding D.D., Equinox D.D., Intus Invest D.O.O., and Matej Rigelnik, held, by virtue of acting in concert, a percentage of 8.062% of the total number of voting rights in Fondul Proprietatea as at 31 March 2026 (i.e. 3,200,784,516).

Signatures:

15 April 2026

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

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Prepared in accordance with the IFRS accounting standards as adopted in EU 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 (“Norm 39/2015”)

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

	<i>Note</i>	Year ended 31 December 2025	Year ended 31 December 2024
Net gain from equity investments at fair value through profit or loss	6	310,354,259	109,339,147
Gross dividend income	7	155,607,128	145,848,924
Interest income	8	20,475,022	34,091,919
Net foreign exchange (loss)		(150,738)	(88,642)
Other income, net		88,710	1,117,370
Net operating income		486,374,381	290,308,719
Operating expenses	9	(35,368,937)	(37,012,737)
Total operating expenses		(35,368,937)	(37,012,737)
Finance costs		-	-
Profit before income tax		451,005,444	253,295,982
Income tax	10	(1,093,874)	(1,763,416)
Profit for the year		449,911,570	251,532,566
Other comprehensive income/ (loss)		-	-
Total comprehensive income for the year		449,911,570	251,532,566
Basic and diluted earnings per share	12	0.1467	0.0731

The annual financial statements were authorised for issue on 15 April 2026 by:

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

Daniel Naftali

Permanent Representative

Prepared by:

Catalin Cadaru

Fund Administration and Oversight Senior Manager

The notes on pages 6 to 56 are an integral part of these annual financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

	<i>Note</i>	31 December 2025	31 December 2024
Assets			
Cash and current accounts	13	101,099	226,802
Distributions bank accounts	13	249,404,301	285,228,126
Deposits with banks	13	149,105,050	273,747,721
Equity investments	14	2,204,089,720	1,893,735,461
Other assets		226,055	375,625
Total assets		2,602,926,225	2,453,313,735
Liabilities			
Payable to shareholders	15(a)	248,971,672	284,460,632
Other liabilities and provisions	15(b)	9,492,947	6,736,383
Total liabilities		258,464,619	291,197,015
Equity			
Paid share capital	16(a)	1,664,407,948	1,849,342,164
Other reserves	16(b)	332,881,590	(404,887,825)
Treasury shares	16(c)	(121,158,293)	(223,287,982)
Retained earnings		468,330,361	940,950,363
Total equity		2,344,461,606	2,162,116,720
Total liabilities and equity		2,602,926,225	2,453,313,735

The notes on pages 6 to 56 are an integral part of these annual financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

	Share capital	Legal Reserves	Losses from cancellation of treasury shares (negative equity reserves)	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	369,868,433	(774,756,258)	-	(223,287,982)	940,950,363	2,162,116,720
Profit for the year	-	-	-	-	-	449,911,570	449,911,570
Total comprehensive income for 2025	-	-	-	-	-	449,911,570	449,911,570
Transactions with owners, recorded directly in equity							
Dividends declared (see Note 16 d))	-	-	-	-	-	(163,105,800)	(163,105,800)
Acquisition of treasury shares (see Note 16 c))	-	-	-	-	(121,158,293)	-	(121,158,293)
Cancellation of treasury shares (see Note 16 c))	(184,934,216)	-	(38,353,766)	-	223,287,982	-	-
Reduction in legal reserve and transfer of amounts to other reserves for future negative reserves coverage (see Note 16 b))	-	(36,986,843)	-	36,986,843	-	-	-
Other reserves used to cover negative reserves (see Note 16 b))	-	-	-	1,366,923	-	(1,366,923)	-
Coverage of negative reserves generated by cancelation of treasury shares from retained earnings (see Note 16 b))	-	-	774,756,258	-	-	(774,756,258)	-
Distributions for which the statute of limitation occurred	-	-	-	-	-	19,404,179	19,404,179
Corporate income tax recorded directly to equity as per IAS 12 requirements (see Note 10)	-	-	-	-	-	(2,706,769)	(2,706,769)
Total transactions with owners recorded directly in equity	(184,934,216)	(36,986,843)	736,402,492	38,353,766	102,129,690	(922,531,571)	(267,566,683)
Balance as at 31 December 2025	1,664,407,948	332,881,590	(38,353,766)	38,353,766	(121,158,293)	468,330,361	2,344,461,606

The notes on pages 6 to 56 are an integral part of these annual financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

	Share capital	Legal Reserves	Losses from cancellation of treasury shares (negative equity reserves)	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	646,653,823	(908,845,064)	908,997,010	(1,873,193,280)	620,787,617	2,342,179,293
Profit for the year	-	-	-	-	-	251,532,566	251,532,566
Total comprehensive income for 2024	-	-	-	-	-	251,532,566	251,532,566
Transactions with owners, recorded directly in equity							
Dividends declared (see Note 16 d))	-	-	-	-	-	(212,452,479)	(212,452,479)
Acquisition of treasury shares (see Note 16 c))	-	-	-	-	(223,287,982)	-	(223,287,982)
Cancellation of treasury shares (see Note 16 c))	(1,098,437,023)	-	(774,756,258)	-	1,873,193,280	-	-
Other reserves used to cover accounting loss (see Note 16 b))	-	-	-	(151,946)	-	151,946	-
Coverage of negative reserves generated by cancelation of treasury shares from retained earnings (see Note 16 b))	-	-	908,845,064	(908,845,064)	-	-	-
Legal reserve transfer to retained earnings (see Note 16 b))	-	(276,785,390)	-	-	-	276,785,390	-
Distributions for which the statute of limitation occurred	-	-	-	-	-	15,431,009	15,431,009
Corporate income tax recorded directly to equity as per IAS 12 (see Note 10)	-	-	-	-	-	(11,285,684)	(11,285,684)
Total transactions with owners recorded directly in equity	(1,098,437,023)	(276,785,390)	134,088,806	(908,997,010)	1,649,905,298	68,630,180	(431,595,139)
Balance as at 31 December 2024	1,849,342,164	369,868,433	(774,756,258)	-	(223,287,982)	940,950,363	2,162,116,720

* Compared to the financial statements for the year ended 31 December 2024, the presentation of the amounts under the category of "Other Reserves" was split into three separate categories "Legal reserves", "Losses from cancellation of treasury shares (negative equity reserves)" and "Other reserves".

The notes on pages 6 to 56 are an integral part of these annual financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

	Year ended 31 December 2025	Year ended 31 December 2024
Cash flows from operating activities		
Dividends received (net of withholding tax)	155,607,128	145,848,924
Interest received	20,523,935	34,668,676
Amounts collected from the depository Bank of the Fund's GDRs	87,929	578,408
Proceeds from disposal of equity investments (see Note 14)	-	432,616,168
Sole Director administration fees	(19,588,622)	(41,215,533)
Suppliers and other taxes and fees paid	(15,419,835)	(19,397,865)
WHT payments performed	(12,703,602)	(58,574,904)
Income tax paid	(3,295,708)	(12,535,621)
Other (payments performed), net	(1,423,933)	(928,081)
Net cash flows from operating activities	123,787,291	481,060,171
Cash flows from financing activities		
Transfer to distribution accounts	(150,306,207)	(196,460,763)
Acquisition cost of treasury shares	(117,935,484)	(216,380,495)
Dividends transferred corresponding to shareholders having specific legal status	(7,757)	(852,446)
Transfers from distribution accounts (statute of limitation declared)	19,678,613	15,064,242
Net cash flows used in financing activities	(248,570,834)	(398,629,462)
Net (decrease)/ increase in cash and cash equivalents	(124,783,544)	82,430,710
Cash and cash equivalents at the beginning of the year	273,762,977	191,332,267
Cash and cash equivalents at the end of the year as per the Statement of Cash Flows	148,979,433	273,762,977
Reconciliation of Statement of Cash Flows with the equivalent items reported in the Statement of Financial Position		
	31 December 2025	31 December 2024
Cash and current accounts (see Note 13)	101,099	226,802
Bank deposits with original maturities of less than three months (see Note 13)	148,878,334	273,536,175
Cash and cash equivalent as per Statement of Financial Position	148,979,433	273,762,977
Interest accrued on bank deposits (see Note 13)	226,716	211,546
Distribution bank accounts (see Note 13)	248,682,829	284,442,572
Interest accrued on distribution accounts (see Note 13)	721,472	785,554
Total cash and current accounts, distribution accounts, deposits with banks, as per Statement of Financial Position	398,610,450	559,202,649

The notes on pages 6 to 56 are an integral part of these annual financial statements.

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.

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.”.

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.

Fund Management

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 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.

1. General information (continued)

Fund Management (continued)

During the 29 September 2025 GSM, the shareholders approved the renewal of the mandate of FTIS as sole director of Fondul Proprietatea that acts also as the alternative investment fund manager of Fondul Proprietatea, starting with 1 April 2026. The renewal of the mandate of FTIS is conditioned by the Fund and FTIS executing a management agreement covering the new mandate before 1 April 2026.

Please see Note 19 – Subsequent events for more information regarding management of the Fund.

First selection process - as per 25 September 2023 GSM

During the 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 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 29 September 2025 GSM, the Fund's shareholders approved the cancellation of the current alternative investment fund manager and sole director selection process and approved the initiation by the Board of Nominees of a new, simplified, transparent, and efficient selection process for an alternative investment fund manager and sole director of Fondul Proprietatea, selection process which shall not exceed 150 days, with associated costs limited to a maximum of 1,500,000 lei. For more information regarding the previous selection process, please see previous periods annual, semi-annual and quarterly reports as well as the Fund's website.

Second selection process - as per 29 September 2025 GSM

As described above, during the 29 September 2025 GSM, the Board members were mandated by the shareholders to perform the new selection. On 23 January 2026 the Fund received from the Board of Nominees of the Fund, a request to publish the announcement regarding the launch of the selection process for the Alternative Investment Fund Manager and sole director of Fondul Proprietatea.

Please see Note 19 – Subsequent events for more information regarding the new selection process.

2. Basis of preparation

(a) Statement of compliance

These separate financial statements are the annual statutory financial statements of Fondul Proprietatea for the year ended 31 December 2025 prepared in accordance with IFRS accounting standards as adopted by the EU and applying the FSA Norm 39/2015. These financial statements are available starting with 16 April 2026, 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 year ended 31 December 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 of the Fund and the ownership interests from its portfolio are in the form of equity. The Fund's investment objective is a typical one for an investment entity, respectively the maximization of returns to shareholders and the increase of the net asset value per share via investments in Romanian equities and equity-linked securities.

2. Basis of preparation (continued)

(b) Statement of compliance (continued)

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.

(c) Going concern

The Fund's Sole Director has at the authorization date of these 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 analysed 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:

- the portfolio structure/composition at the end of the reporting period and expected developments/events for a period of at least 12 months (including potential listings, dividends receivable).
- ongoing litigations and subsequent potential scenarios/ actions, including the ones related to the share capital increase of CN Aeroporturi Bucuresti SA – new litigation regarding the annulment of the 8 July 2025 GSM decision to appoint a new valuer for the disputed lands in order to restart the share capital increase process.
- the new management agreement approved during the 26 February 2026 GSM including the new base and distribution fee estimated costs.
- The 2026 Annual Budget as it included in the Convening Notice for 28 May 2026 GSM.
- cash management policies and procedures implemented and related cash flow projections up to one year give a reasonable expectation that all the Fund's obligations will be met in the regular course of business.
- envisaged distributions to shareholders.
- other shareholders decisions during the period.

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

Based on the information made available to the Sole Director, the selection process does not impact the going concern assessment at 31 December 2025. This will be reassessed once the new strategy of the Fund 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.

(d) Basis of measurement

These annual 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.

2. Basis of preparation (continued)

(e) Functional and presentation currency

These annual 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.

(f) 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 31 December 2025 were as follows: 5.0985 RON/EUR, 4.3417 RON/USD and 5.8335 RON/GBP (31 December 2024: 4.9741 RON/EUR, 4.7768 RON/USD and 5.9951 RON/GBP).

(g) Use of estimates

The preparation of these annual financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

- Note 4 – Risk management;
- Note 5 – Financial assets and financial liabilities;
- Note 10 – Income tax;
- Note 11 – Deferred tax;
- Note 14 – Equity investments;
- Note 17 – Contingencies.

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

3. Material accounting policies

The material accounting policies applied in these annual 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 annual financial statements.

(a) Subsidiaries and associates

Subsidiaries are entities controlled by the Fund. The existence of significant influence is assessed, in each reporting year, by analysing the ownership structure of the companies in which the Fund holds 20% or more of the voting power of the investee, their articles of incorporation and the Fund's power to participate in the financial and operating policy decisions of the investee.

3. Material accounting policies (continued)

(a) Subsidiaries and associates (continued)

However, the Fund does not exercise significant influence in several companies in which it holds between 20% and 50% of the voting power, where the Fund's rights as minority shareholder are protective in nature, and not participative and where the majority shareholder, or a group of shareholders holding majority ownership of the investee, operate without regard to the views of the Fund.

Also, in situations where the Fund holds less than 20% of the voting power of an investee, but it is a significant shareholder and demonstrates that it has significant influence through Board representation and participates in the policy making decisions, the investee is considered an associate.

As at 31 December 2025 and 31 December 2024 there were two portfolio companies, which met the criteria for classification as subsidiaries, and two portfolio companies which met the criteria for classification as associates. The lists of subsidiaries and associates as at 31 December 2025 and 31 December 2024 are disclosed in Note 18 Related parties (b) and (c) and in Note 14 Equity investments.

(b) Financial assets and liabilities

i) Recognition

The Fund recognises financial assets and liabilities on the date it becomes a party to the contractual provisions of the instrument. The Fund applies trade date accounting. Financial assets and liabilities are recognised initially at fair value plus, in case of financial assets and financial liabilities not measured at fair value through profit or loss, any directly attributable transaction costs (including brokerage fees).

Mergers of portfolio companies are recognised at the date when the merger is registered with the Trade Register. Share capital increases of portfolio companies are also recognised at the date the shareholder decision is registered with the Trade Register.

ii) Classification and subsequent measurement

- *Financial assets at fair value through profit or loss*

The Fund classified all its equity investments as equity investments at fair value through profit or loss (the default option under IFRS 9). The Fund also uses the fair value classification and subsequent measure for all its government bonds and treasury bills. Being an investment entity as described in the *Statement of compliance* section, the Fund's management believes that fair value classification and subsequent measure method are the most relevant for the Fund.

Financial assets at fair value through profit or loss are initially recognised at fair value and transaction costs are recorded in profit or loss. Subsequent measurement is at fair value and all changes in fair value are accounted for through profit or loss. Financial assets at fair value through profit or loss are not subject to the review for impairment.

- *Financial assets and liabilities at amortised cost*

As required by *IFRS 9 Financial instruments*, the Fund classifies financial assets which are debt instruments as subsequently measured at amortised cost based on both:

(a) the business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

Financial assets and liabilities are measured at amortised cost using the effective interest method, less any impairment losses (of financial assets). Financial assets and liabilities at amortised cost include cash and current accounts, deposits with banks, dividends receivable, payables to shareholders, amounts due to service suppliers and other receivables and payables.

3. Material accounting policies (continued)

(b) Financial assets and liabilities (continued)

iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Fund has transferred its rights to receive cash flows from the asset and the Fund has transferred substantially all of the risks and rewards of the asset.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

iv) Fair value measurement

When available, the Fund measures the fair value of an equity instrument using quoted prices in an active market for that instrument at the reporting date. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair values of equity instruments that are not traded in an active market are determined and approved by the Fund's Sole Director, based on independently appraised valuation reports, using valuation techniques in accordance with International Valuation Standards. The Fund uses a variety of methods and makes assumptions that are based on the market conditions existing at each reporting date.

Valuation techniques used are recognised as standard within the industry and include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and other valuation techniques commonly used by market participants, making maximum use of observable market inputs and relying as little as possible on entity-specific inputs.

Some of the inputs to these models may not be observable in the market and are therefore estimated based on various assumptions. The valuation techniques selected incorporate all the factors that market participants would consider in pricing a transaction.

The output of a valuation model is always an estimate/ an approximation of a fair value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Therefore, where appropriate, the valuations are adjusted to reflect additional factors, including model risk, liquidity risk, counterparty risk and commodity price risk, where applicable.

v) Identification and measurement of impairment

The Fund recognises a loss allowance for expected credit losses on all assets that are measured at amortised cost. No impairment loss is recognised for the Fund's investments in equity or debt instruments measured at fair value through profit or loss. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Fund recognises lifetime expected credit losses when there has been a significant increase in credit risk since the initial recognition of the instrument.

If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Fund measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. The Fund's assessment of whether lifetime expected credit losses should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime expected credit losses represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

3. Material accounting policies (continued)

(b) Financial assets and liabilities (continued)

v) Identification and measurement of impairment (continued)

In contrast, 12 months expected credit losses represents the portion of lifetime expected credit losses that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

As described above, the Fund's financial asset which are measured at amortised cost are cash and current accounts, deposits with banks, dividends receivable and other receivables. The related loss allowance for expected credit losses for cash and current accounts and deposits with banks is considered to be insignificant as the Fund only places its funds on very short maturities and only with financial institutions where the institution or the institution's corporate parent has a credit rating "investment grade" (BBB- or better). Loss allowances for expected credit losses for dividends receivable and other receivables are recognised by the Fund based on the method described above.

(c) Operating segments

According to IFRS 8 Operating Segments an entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

The Fund's activity is not managed by activity components and therefore there are no reportable segments at 31 December 2025 or 31 December 2024.

(d) Cash, current accounts and deposits with banks and distribution accounts

Cash, current accounts, deposits with banks

Cash and current accounts include petty cash and current accounts held with banks. Deposits with banks are only placed for maturities of less than one year, according to the Fund's cash management policy. Cash and current accounts and deposits with banks are carried at amortised cost, which approximate their fair value.

Deposits with banks, Government bonds and treasury bills with original maturities of less than three months are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Current accounts include both regular accounts and distribution accounts.

Distribution accounts

The legal framework applicable to the Fund states that the listed entities must pay dividends and any other amounts due to shareholders through the Central Depository of the respective securities, as well as the participants in their system. According to the same legislation, a listed entity designates as Paying Agent a financial institution through which the holders of securities can exercise their financial rights.

The Fund has signed agreements with both the Central Depository and a Paying Agent. The Fund has selected BRD Groupe Societe Generale as Paying Agent. For each distribution approved by the shareholders, the Fund needs to open two dedicated accounts ("distribution accounts") with the Paying Agent.

As per applicable legislation, the distribution to shareholders process is managed by the Central Depository and the Paying Agent.

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.

3. Material accounting policies (continued)

(d) Cash, current accounts and deposits with banks and distribution accounts (continued)

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 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. The transfers to distribution accounts are presented mainly on line *Transfer to distribution accounts* under cash-flow from financing activities with corresponding amounts to be further used exclusively for shareholder payments (until the status of limitations expires). The actual payments to shareholders are not presented in the cash flow statement but these are reflected in Note 15 (a) to the financial statements.

(e) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effect. The share capital accounting presentation and measurement are generally following the legal requirements. Due to the complexity of the legal framework and necessary approvals with respect to share capital transactions, only successful completion of the legal steps can trigger the accounting recognition.

(f) Treasury shares

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

The GDRs bought back by the Fund are accounted for exactly as the own ordinary shares repurchased, as a deduction to shareholders' equity. This is the result of the application of substance over form principle, due to the fact that buy-back via GDRs is only a technical/ legal form of the transaction, the substance of the transaction being that the Fund buys back its own shares, giving the same rights to both the holders of the Fund's ordinary shares and to the holders of the Fund's GDRs, to take part in the buy-back programmes carried out by the Fund. On 25 April 2025 the admission to trading on the LSE of the Fund's GDRs was cancelled.

The cancellation of treasury shares is performed in accordance with the shareholder's approval after all legal requirements are fulfilled. At cancellation, the treasury shares balance is netted off against the share capital and reserves.

The cancellation of treasury shares may trigger gains or losses, depending on the treasury shares' acquisition value as compared to their nominal value.

The gains or losses resulted from the cancellation of the treasury shares are directly recognised within the shareholders' equity and distinctively presented in the notes to the financial statements.

(g) Provisions

A provision is recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are estimated by discounting the expected future cash outflows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(h) Dividend income

Dividend income related to listed equity investments is recognised in profit or loss on the ex-dividend date.

Dividend distributions from unlisted equity investments are recognised in profit or loss as dividend income when declared, at the date when the dividend distribution is approved by the General Shareholders Meeting of the respective company.

3. Material accounting policies (continued)

(h) Dividend income (continued)

When the Fund receives or chooses to receive dividends in the form of additional shares rather than cash, the dividend income is recognised for the amount of the cash dividend alternative, with the corresponding debit treated as an additional investment.

When bonus shares are received with no cash alternative and if only certain shareholders are granted additional shares, these are measured at fair value and a corresponding amount of dividend income is recognised. In cases when all shareholders receive bonus shares in proportion to their shareholdings, no dividend income is recognised as the fair value of the Fund's interest is unaffected by the bonus share issue.

For overdue dividend receivables, the Fund initiates legal recovery measures (conciliation, litigations, etc.). The Fund is entitled to charge penalties for overdue amounts from net dividends, applying the legal penalty interest rate according to the legislation in force. Penalty income on dividends is recognised when collection is virtually certain.

Dividend income is presented gross of dividend withholding taxes, which are separately recognised as income tax expense. Dividend withholding taxes are calculated in accordance with the provisions of the Romanian Fiscal Code.

(i) Interest income and expense

Interest income and expense are recognised in profit or loss using the effective interest method.

Interest income relates to current accounts, distribution accounts, deposits held with banks, treasury bills and government bonds. In case of financial assets at fair value through profit or loss, the Fund's accounting policy is to record the accrued interest income separately from the changes in fair value.

(j) Gains and losses from disposal of equity investments

Gains and losses from the disposal of equity investments are recognised in profit or loss at the date of derecognising the financial asset and are calculated as the difference between the consideration received (including any new asset obtained less any new liability assumed) and the carrying amount of the financial asset at the disposal date.

The realised gains and losses from the disposal of equity investments classified as financial assets at fair value through profit or loss are presented in the statement of comprehensive income under the caption "Net gain from equity investments at fair value through profit or loss", together with the unrealised gains and losses from the change in the fair value of these instruments and detailed in the notes to the financial statements.

(k) Foreign currency gains and losses

Foreign currency gains and losses are recognised in profit or loss on a net basis and include the realised and unrealised foreign exchange differences. The Fund's investments and substantially all of its transactions are denominated in RON.

(l) Expenses

All expenses are recognised in profit or loss on an accrual basis.

(m) Income tax

Income tax expense comprises current and deferred tax. Current tax also includes dividend withholding taxes.

Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in equity (other comprehensive income), in which case it is recognised in equity (other comprehensive income).

3. Material accounting policies (continued)

(m) Income tax (continued)

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the reporting year. Current tax for current and prior years is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior years exceeds the amount due for those years, the excess is recognised as an asset. The deferred tax is the amount of future income taxes expected to be payable (recoverable) in respect of taxable temporary differences.

During 2025 and 2024, the applicable standard tax rate was 16%. The applicable dividend withholding tax was nil in case of holdings over 10% of the total share capital of the issuer, held for an uninterrupted period of at least one year. For all other cases the withholding tax was 10% during the year 2025 and 8% during the year 2024. Starting with the year 2026, the withholding tax will be 16%.

Please see Note 4 Risk management – (d) Taxation risk for information regarding fiscal changes on income tax and possible impact on the Fund's financial statements.

(n) Distributions to shareholders

According to the Fund's Annual Cash Distribution policy, which can be found on the Fund's website, the distributions to shareholders may comprise dividend distributions and returns of capital, subject to corporate approvals, legal provisions in force and existence of financial resources.

Dividends declared by the Fund are recorded as dividend payable at the date when these are approved by the Fund's GSM, as this is the date when, from legal point of view, the Fund's liability to shareholders arises. Returns of capital declared by the Fund are recorded as payable at the date when all legal requirements and substantive conditions stipulated in the Fund's GSM resolution approving the respective distribution are met. As stated in Note 3 - (e) Cash, current accounts and deposits with banks, dividends are distributed to shareholders through the Central Depository and the Paying Agent.

According to the provisions of the legislation in force, the statute of limitation occurs three years after the date when the respective distribution commenced except for specific instances that are individually assessed. Starting with the date when the statute of limitation occurred, the shareholders are no longer entitled to collect the respective distribution.

At the date when the statute of limitation for distributions occurs, the Fund records the value of the outstanding uncollected distribution through retained earnings or reserves, as applicable.

(o) Basic and diluted earnings per share

Basic and diluted earnings/ (loss) per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary paid shares in issue during the year, excluding the average number of ordinary shares purchased by the Fund and held as treasury shares.

The weighted average number of ordinary shares outstanding during the year is the number of ordinary paid shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back during the year (based on their settlement date) multiplied by a time-weighting factor.

The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the reporting year.

As at 31 December 2025 and 31 December 2024, none of the Fund's issued shares or other instruments had dilutive effect, therefore basic and diluted earnings per share are the same.

(p) Board of Nominees members' remuneration

The Fund has no employees, but from the benefits point of view, the members of the Board of Nominees have the same fiscal treatment as employees, as they have mandate agreements (as opposed to labour agreements).

3. Material accounting policies (continued)

(p) Board of Nominees members' remuneration (continued)

During the normal course of business, the Fund makes payments due to the state health and social security funds related to the remuneration of the members of the Board of Nominees in accordance with the regulations in force. Such costs are recognised in profit or loss as part of the remunerations.

The members of the Board of Nominees or members of the other consultative committees appointed in accordance with the applicable regulations are members of the pension plan of the Romanian State except those members who are registered as contributors in other countries or those that cannot benefit from Romanian pension according to the applicable tax treaties. The Fund does not operate any pension plan or post-retirement benefits plan and therefore has no obligations regarding pensions.

(q) Standards/amendments that are effective and have been endorsed by the European Union

The following standards/amendments to the existing standards and new interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union, are effective for the current reporting period:

- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments).** The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

Management has assessed that the changes brought to IAS 21 are not applicable as all currencies used by the Fund during the year ended 31 December 2025 ("RON", "EUR", "USD", "GBP") are exchangeable as the Fund is able to obtain other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

(r) Standards and interpretations issued by the IASB and endorsed by the EU but not yet effective and not early adopted

At the date of authorisation date of these annual financial statements, the following amendments to the existing standards issued by IASB and adopted by the EU are not yet effective:

- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments).** In May 2024, the IASB issued amendments to the Classification and Measurement of Financial Instruments which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.
- **IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments).** In December 2024, the IASB issued targeted amendments for a better reflection of Contracts Referencing Nature-dependent Electricity, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and they become effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.
- **Annual Improvements to IFRS Accounting Standards – Volume 11.** In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted.

The Fund estimates that the adoption of these new amendments to the existing standards will have no material impact on its annual financial statements in the year of initial application.

3. Material accounting policies (continued)

(s) Standards and amendments/interpretations that are not yet effective and have not yet been endorsed by the European Union

At the date of authorisation of these annual financial statements, IFRSs as adopted by the EU do not significantly differ from regulations adopted by the IASB except for the following amendments to the existing standards, which were not endorsed by the EU as at the reporting date of these financial statements:

- **IFRS 18 Presentation and Disclosure in Financial Statements.** In April 2024, the IASB issued the IFRS 18 - Presentation and Disclosure in Financial Statements which replaces IAS 1 - Presentation of Financial Statements and it becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures (including amendments).** In May 2024, the IASB issued the IFRS 19 - Subsidiaries without Public Accountability: Disclosures, and in August 2025 the IASB issued amendments to IFRS 19. IFRS 19 (including the amendments) becomes effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.
- **IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (Amendments).** In November 2025, the IASB issued amendments to Translation to a Hyperinflationary Presentation Currency which amend IAS 21 The Effects of Changes in Foreign Exchange Rates, and they become effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.
- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.** In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

Regarding the presentation and disclosure requirements set out in IFRS 18, the Fund estimates the financial statements materially reflect these requirements as of 31 December 2025. In regards to the other modifications mentioned above, The Fund estimates that the adoption of these new amendments to the existing standards will have no material impact on its annual financial statements in the year of initial application.

Please see below a summary description of the changes brought to the standards applicable to the Fund:

- **IFRS 18 Presentation and Disclosure in Financial Statements:** IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements.

4. Risk management

The Fund's investment portfolio comprises mainly unlisted equity investments. The Fund's investing activities expose it to various types of risks that are associated with the financial instruments and with the markets in which it invests. The most important financial risks the Fund is exposed to are market risk, credit risk and liquidity risk. The management monitors the potential adverse effects on the financial performance of the Fund associated with these risk factors.

The management consider that all risks are aligned with the Fund's risk appetite and that controls and reporting functions are in place and aligned with the severity of the risks. The Sole Director implemented for the Fund financial risk management procedures consistent with those applied globally by Franklin Templeton. Franklin Templeton's approach is to use a dedicated team of risk management specialists who are independent of the portfolio managers and provide robust risk and performance analytics and unbiased perspective on the risks and exposures in the portfolios.

FTIS has implemented a Risk Management Policy applicable to the Fund. The AIFM has established a permanent risk management function to ensure that effective risk management policies and procedures are in place and to monitor the risks and compliance with risk limits. The AIFM has a risk management process and risk management policies which cover the risks associated with the Fund and the adequacy and effectiveness of this framework is reviewed and approved at least annually. Regular reporting is prepared and reviewed by the AIFM senior management.

For each relevant risk area, risk limits are set by the AIFM considering the objectives, strategy, and risk profile of the Fund. These limits are monitored regularly as required by the nature of the risk area, and the sensitivity of the portfolio to key risks is undertaken periodically as appropriate to ascertain the impact of changes in key variables to the Fund. Diversification and concentration limits are set for the management of market risk and are monitored regularly. The Risk Management Committee of Franklin Templeton provides the oversight framework for risk management processes and is made up of senior management from the business areas and key risk and control functions. This Committee meets quarterly, reviews risk reports and input from business management and maintains a detailed register of risk items and resolutions.

The Board of FTIS provides oversight, being aware of the risk management practices and their deployment within the firm, staying apprised of significant risks and management responses.

(a) Market risk

Market risk is the risk that changes in market prices and rates, such as equity prices, interest rates and foreign exchange rates will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Equity price risk

Equity price risk is the risk that the value of an equity instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to its issuer or factors affecting all instruments traded in the market.

Equity price risk arises from changes in the value of equity investments, and it is the primary risk impacting the Fund. Diversification across securities and industries, to the extent possible, is the primary technique for mitigating equity price risk. The companies in which the Fund holds investments at the end of the reporting period operate in different industries, the largest exposures being in the "Infrastructure", "Salt Mining" and "Aluminium" sectors (same as previous year).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

4. Risk management (continued)**(a) Market risk (continued)***(i) Equity price risk (continued)*

The Fund's exposure to industries is detailed below:

	31 December 2025	31 December 2025 (%)	31 December 2024	31 December 2024 (%)
Infrastructure	1,762,909,536	79.98%	1,416,357,454	74.79%
Salt Mining	259,900,029	11.79%	297,480,262	15.71%
Aluminium	108,962,647	4.94%	109,691,495	5.79%
Heavy industry	31,234,200	1.42%	25,550,400	1.35%
Postal services	26,097,293	1.18%	22,327,254	1.18%
Power generation	-	0%	5,972,718	0.32%
Others	14,986,015	0.68%	16,355,878	0.86%
	2,204,089,720	100%	1,893,735,461	100%

The Fund's equity investments include unlisted instruments issued by companies incorporated in Romania and listed but illiquid instruments, both of which represent 95.1% of total equity investments as at 31 December 2025 (94.2% of total equity investments as at 31 December 2024).

As at 31 December 2025, the listed and liquid investments represented 4.9% (31 December 2024: 5.8%) of the total Fund's equity investments. As at 31 December 2025, the Fund's listed liquid holdings are in amount of RON 108,962,647 (31 December 2024: RON 109,691,495) represented at both reporting dates by Alro SA, which is listed on Bucharest Stock Exchange.

At the reporting date, the Fund holds 72,884,714 shares in Alro SA, representing 10.21% of the company's share capital. The Fund prepared a sensitivity analysis by adjusting the price of the share directly. A ten percent increase in price at 31 December 2025 would determine an increase in profit or loss of RON 10,896,265 (31 December 2024: RON 10,969,149). An equal change in the opposite direction as at 31 December 2025 would determine a decrease in profit and loss by RON 10,896,265 (31 December 2024: RON 10,969,149). This analysis assumes that all other variables remain constant.

The Fund periodically monitors the liquidity of the markets where it's holdings are listed and correlates this analysis with the liquidity and cash management process.

(ii) Interest rate risk

The Fund places cash into fixed rate bank deposits and short-term government securities with fixed interest rates and original maturities of up to one year. Any potential reasonable movement in interest rates would have an immaterial effect on the Fund's financial statements.

At the reporting dates 31 December 2025 and 31 December 2024 the Fund's interest-bearing fixed rate financial instruments consist of bank deposits with original maturities of less than three months in amount of RON 149,105,050 (31 December 2024: 273,747,721) and of distribution interest-bearing accounts as described below.

As described in Note 3 - (e) Cash, current accounts and deposits with banks, for each distribution, the Fund opens dedicated distribution accounts with the Paying Agent, which generate variable interest paid monthly to the Fund. As per the agreed contract with the Paying Agent the distribution accounts bear a variable interest rate based on RO BID ON. The variable interest rate is negotiated annually during December as per the agreed upon contractual terms with the current interest being in line with market medians.

(iii) Currency risk

The Fund's exposure to currency risk is not significant. The Fund holds current accounts with banks, receivables and payables denominated in foreign currencies (EUR, USD and GBP), but the balances were immaterial during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

4. Risk management (continued)**(a) Market risk (continued)***(iii) Currency risk (continued)*

During 2025, the local currency appreciated compared to GBP (5.9951 RON/GBP at 31 December 2024 to 5.8335 RON/GBP at 31 December 2025) and to USD (from 4.7768 RON/USD at 31 December 2024 to 4.3417 RON/USD at 31 December 2025) and depreciated compared to EUR (from 4.9741 RON/EUR at 31 December 2024 to 5.0985 RON/EUR at 31 December 2025).

The tables below contain information on the Fund's financial assets and monetary liabilities based on the original currency:

RON equivalent - 31 December 2025

Monetary assets	RON	EUR	USD	GBP	Total
Cash and current accounts	44,796	3,152	52,713	438	101,099
Distributions bank accounts	249,404,301	-	-	-	249,404,301
Deposits with banks	149,105,050	-	-	-	149,105,050
Other financial assets	-	-	-	12,134	12,134
Monetary liabilities					
Other financial liabilities	(455,991)	(6,667,968)	(86,661)	-	(7,210,620)
Payable to shareholders	(248,971,672)	-	-	-	(248,971,672)
Net position	149,126,484	(6,664,815)	(33,948)	12,572	142,440,293

RON equivalent - 31 December 2024

Monetary assets	RON	EUR	USD	GBP	Total
Cash and current accounts	45,194	3,527	176,392	1,690	226,802
Distributions bank accounts	285,228,126	-	-	-	285,228,126
Deposits with banks	273,747,721	-	-	-	273,747,721
Monetary liabilities					
Other financial liabilities	(356,192)	(4,374,452)	-	(201,363)	(4,932,008)
Payable to shareholders	(284,460,632)	-	-	-	(284,460,632)
Net position	274,204,217	(4,370,925)	176,392	(199,674)	269,810,010

A ten percent strengthening of the RON against the EUR, USD and GBP respectively as at 31 December 2025 and 31 December 2024 would have the following impact on profit or loss (the analysis assumes that all other variables remain constant), impact expressed in RON:

Profit/(Loss)	31 December 2025	31 December 2024
EUR	666,482	437,092
USD	3,395	(17,639)
GBP	(1,257)	19,967

A ten percent depreciation of the RON against the currencies would have an identical opposite effect compared to the one presented above.

As at 31 December 2025 and 31 December 2024, the Fund did not hold any equity investment denominated in a currency other than RON.

(b) Credit and counterparty risk

Credit risk is the risk of financial loss to the Fund if counterparties to financial instruments fail to meet their contractual obligations, and arises principally from cash and deposits with banks and other receivables.

(i) Cash and deposits with banks

As presented in the table below, at 31 December 2025, the Fund's maximum exposure to credit risk from cash and deposits with banks was RON 398,610,450 (31 December 2024: RON 559,202,649).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

4. Risk management (continued)**(b) Credit and counterparty risk (continued)***(i) Cash and deposits with banks (continued)*

Cash and deposits with banks are held with the following banks:

Cash and deposits held with banks	Credit rating*	31 December 2025	31 December 2024
BRD - Groupe Societe Generale	BBB+(negative)	272,441,751	294,747,048
Banca Comerciala Romana	BBB+(negative)	26,845,907	66,564,307
ING Bank	AA-(stable)	26,057,246	66,449,020
Raiffeisen Bank	AA-(stable)	36,551,275	66,420,378
Citi Bank	A(stable)	36,712,784	65,020,394
Unicredit Bank	BBB+(negative)	1,487	1,503
		398,610,450	559,202,649

*Source: Fitch Ratings at reporting date – for ING, Raiffeisen and Citi, parent company rating was considered

As of 31 December 2025 a significant part of the amounts held with BRD - Groupe Societe Generale are linked to distribution accounts (91.5%) (31 December 2024: 96.7%).

Current accounts and deposits are held with banks in Romania. The management of the Fund implemented a formal policy regarding bank counterparty risks and limits. The Fund only establishes new deposits with financial institutions where the institution or the institution's corporate parent has a credit rating "investment grade" (BBB- or better). The counterparty credit risk is also diversified by allocating the cash and cash equivalents across several banks.

All current accounts and deposit balances are assessed to have low credit risk as they are held with reputable banking institutions, and they are held for very short maturities according to the cash management policy. Considering this, the effect of any credit loss is assessed as immaterial.

(ii) Treasury bills and Government bonds

During 2025 the Fund invested in these types of financial instruments, however at 31 December 2025, the balances were nil. These items were assessed to have low credit risk being issued by the Ministry of Public Finance of Romania. During 2024, the Fund did not invest in these types of financial instruments.

At the reporting date of these financial statements, Fitch Ratings quote Romania's sovereign rating at "BBB-" with a negative outlook (31 December 2024: "BBB-" with a negative outlook).

(iii) Other financial assets

At 31 December 2025 the Fund's other financial assets are immaterial (RON 12,134). At 31 December 2024 the Fund did not have any other financial assets.

(c) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity 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 equity investments include unlisted instruments issued by companies registered in Romania and listed but not liquid instruments. The table below shows the amounts afferent to the listed liquid portfolio and the listed but not liquid portfolio.

	31 December 2025	31 December 2024
Listed and liquid	108,962,647	109,691,495
Listed and not liquid	14,986,015	13,220,516
Total listed portfolio	123,948,662	122,912,011

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

4. Risk management (continued)**(c) Liquidity risk (continued)**

Not all shares listed on the Bucharest Stock Exchange are considered liquid due to insufficient volumes of transactions. Liquidity can vary over time and from market to market and some investments may take longer to sell. As a result, the Fund may not be able to sell some of its investments in these instruments within the time constraints imposed by its own liquidity requirements, or to respond to specific events such as deterioration in the credit worthiness of any particular issuer. As a closed ended investment fund, liquidity risks attributable to the Fund are less significant than for an open-ended fund. The Fund prudently manages liquidity risk by maintaining an optimal level of liquid assets to finance current liabilities. The following tables present the split of the Fund's financial assets and financial liabilities by residual maturities:

31 December 2025	Less than 1 month	1 to 3 months	3 to 12 months	No fixed maturity	Total
Financial assets					
Cash and current accounts	101,099	-	-	-	101,099
Distributions bank accounts	249,404,301	-	-	-	249,404,301
Deposits with banks	149,105,050	-	-	-	149,105,050
Equity investments	-	-	-	2,204,089,720	2,204,089,720
Other financial assets	12,134	-	-	-	12,134
	398,622,584	-	-	2,204,089,720	2,602,712,304
Financial liabilities					
Other financial liabilities	(7,210,619)	-	-	-	(7,210,619)
Payable to shareholders	(248,971,672)	-	-	-	(248,971,672)
	(256,182,291)	-	-	-	(256,182,291)
Net position	142,440,293	-	-	2,204,089,720	2,346,530,013
31 December 2024	Less than 1 month	1 to 3 months	3 to 12 months	No fixed maturity	Total
Financial assets					
Cash and current accounts	226,802	-	-	-	226,802
Distributions bank accounts	285,228,126	-	-	-	285,228,126
Deposits with banks	273,747,721	-	-	-	273,747,721
Equity investments	-	-	-	1,893,735,461	1,893,735,461
	559,202,649	-	-	1,893,735,461	2,452,938,110
Financial liabilities					
Other financial liabilities	(4,932,008)	-	-	-	(4,932,008)
Payable to shareholders	(284,460,632)	-	-	-	(284,460,632)
	(289,392,640)	-	-	-	(289,392,640)
Net position	269,810,009	-	-	1,893,735,461	2,163,545,470

For both 31 December 2025 and 31 December 2024, all financial assets except equity investments and all financial liabilities are considered current as their residual contractual maturity dates are within one year of the reporting dates. The amounts included in the table above at 31 December 2025 and 31 December 2024 are discounted as the difference between the discounted and undiscounted cashflows is immaterial at both dates.

4. Risk management (continued)

(d) Taxation risk

The Fund had to comply with the Romanian tax legislation in force and with any direct applicable tax legislation issued by the European Union. Interpretation of the text and practical implementation procedures of the tax regulations could vary, and there is a risk that certain transactions, for example, could be viewed differently by the tax authorities as compared to the Fund's treatment.

Furthermore, the Romanian Government has several agencies that are authorised to conduct audits (controls) of companies operating in Romania. These controls are similar in nature to tax audits performed by tax authorities in many countries and may extend not only to tax matters but to other legal and regulatory matters in which the applicable agency may be interested. It is possible that the Fund will be subject to regular controls as new laws and regulations are issued. The frequent changes of Romanian tax legislation without observing the transparency rules also increase the uncertainty and tax risk.

According to the changes brought to the Fiscal Code by GEO 115/14 December 2023, starting with 1 January 2024, entities showing a tax profit are able to offset only 70% of this tax profit with past tax losses (assuming that tax losses are available for utilization). The remaining 30% of any tax profit is subject to Romanian corporate income tax at the 16%. Please see Note 10 – Income tax and Note 11 – Deferred tax for more information on the impact for the Fund.

According to the changes to Law 296/2023 regarding some fiscal-budgetary measures to ensure Romania's long-term financial sustainability, a minimum corporate tax of 1% on adjusted turnover was payable starting with 1 January 2024. Eligibility criteria for this new minimum tax was set at adjusted turnover above EUR 50 million in the previous fiscal year. The new legislation also provides the calculation method for the new minimum tax. Please see note 10 – Income tax for more information on the impact for the Fund.

According to the changes brought by Law 141/2025 regarding some fiscal-budgetary measures, starting with 1 January 2026 the dividend withholding tax rate has been increased from 10% to 16%. This amendment will not impact the dividend distributions conducted in 2025 but will impact any dividend distributions conducted after 1 January 2026. The increase in the standard dividend withholding tax rate will decrease the net amount of the distribution received by the shareholders. As regards the dividend income received by the Fund this dividend withholding tax rate increase should not have any impact as the Fund is benefiting from the dividend holding exemption (i.e. the Fund has held more than 10% of the share capital of the dividend paying entity for at least one year).

On 30 December 2024, Government Emergency Ordinance no. 156/2024¹ ("GEO 156/2024") was published which significantly modified the Romanian Fiscal Code. The standard dividend withholding tax rate increased from 8% to 10% as of 1 January 2025 however this change did not have an impact on the dividend income of the Fund as all the dividend received in 2025 by the Fund benefited from the holding exemption.

Through GEO no. 156/2024 companies are obliged to pay, under certain conditions, a 1% construction tax on the value of the special 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. This legislative change did not have a direct impact on the Fund, however it brought modifications to the value of the portfolio holdings at 31 December 2024 as presented in the Financial Statements for the year ended 31 December 2024.

¹ Emergency Ordinance 156/2024 regarding some fiscal-budgetary measures in the field of public expenditure to lay the basis of the general consolidated budget for 2025

4. Risk management (continued)

(d) Taxation risk (continued)

Through GEO 21/2025² the above-mentioned construction tax was amended with the tax rate on such constructions existing in the taxpayers' patrimony being 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. The impact of the amended regulation did not have an impact directly on the Fund; however it was considered in the valuation process of its holdings at 31 December 2025.

(e) Operating environment

Equity markets may be exposed to temporary higher levels of volatility triggered by uncertainty surrounding political events either locally or globally. Commodity markets may experience prolonged volatility given the uncertainty regarding global trade relationships and increasing protectionism.

A significant part of the portfolio operates in the infrastructure sector, where freight and passenger transportation is heavily impacted by the macroeconomic situation which was also adversely impacted by the military conflict between Russia and Ukraine which started in February 2022, the conflict in the State of Israel, the United States current tariff policies and the security situation in the Middle East and the lack of predictability regarding developments in the Islamic Republic of Iran.

Due to the growing geopolitical tensions, since February 2026, there has been a significant increase in market volatility, as well as fluctuations in energy, oil and gas prices. Elevated inflationary pressures, disruptions across global supply chains, and a deceleration in economic growth are expected. The Company does not have direct exposures to related parties and/or key customers or suppliers or banks from affected region. The impact of the above events may affect the macro-economic conditions in the country and across Europe, and in the longer-term, the trading volumes, cash flows, and profitability.

Although no direct exposure to the events listed above exists, the Company's management will continue to monitor the potential impact of the changing macroeconomic conditions on the financial position and results of operations.

According to International Monetary Fund³, the global economy is showing signs of a moderate slowdown after a resilient start in 2025. Global growth is projected to slow from 3.3 percent in 2024 to 3.2 percent in 2025 and to 3.1 percent in 2026. World trade volume is forecast to grow at an average rate of 2.9 percent in 2025.

According to the same report, inflation is expected to decline to 4.2 percent globally in 2025 and to 3.7 percent in 2026, with notable variation: above-target inflation in the United States—with risks tilted to the upside— and subdued inflation in much of the rest of the world. World trade volume is forecast to grow at an average rate of 2.9 percent in 2025–26—boosted by front-loading in 2025 yet still much slower than the 3.5 percent growth rate in 2024—with persistent trade fragmentation limiting gains.

In regards to Romania, as part of the Emerging and Developing Europe sector, real GDP growth is expected to be 1.4% in 2026 and reach 3.3% in 2030. Inflation is expected to be at around 8.5% at the end of 2026 with 2030 estimates being at around 2.6%.

Management cannot predict all developments which could have an impact on the Romanian economy and consequently what effect, if any, they could have on the performance of the Fund and its financial statements. Management cannot reliably estimate the effects on the Fund's financial statements of any further deterioration in the liquidity of the financial markets and devaluation of financial assets influenced by the increased volatility in the equity and currency markets.

² Emergency Ordinance 21/2025 for the amendment and completion of Title X of Law No. 227/2015 on the Fiscal Code, as well as for the amendment and completion of certain normative acts

³ World Economic Outlook Report – October 2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

4. Risk management (continued)**(f) Operational risk**

Operational risk is the risk of 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 other than credit, market and liquidity risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all the Fund's operations.

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 and overall cost effectiveness, avoiding control procedures that restrict initiative and creativity.

(g) Capital management

The Fund's shareholders' equity comprises share capital, reserves and retained earnings, net of treasury shares. The shareholders' equity was RON 2,344,461,606 at 31 December 2025 (31 December 2024: RON 2,162,116,720).

The Fund is not subject to externally imposed capital requirements.

5. 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:

31 December 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	101,099	-	-	101,099	101,099
Distributions bank accounts	249,404,301	-	-	249,404,301	249,404,301
Deposits with banks	149,105,050	-	-	149,105,050	149,105,050
Equity investments	-	2,204,089,720	-	2,204,089,720	2,204,089,720
Other financial assets	12,134	-	-	12,134	12,134
Other financial liabilities	-	-	(7,210,619)	(7,210,619)	(7,210,619)
Payable to shareholders	-	-	(248,971,672)	(248,971,672)	(248,971,672)
Total	398,622,584	2,204,089,720	(256,182,291)	2,346,530,013	2,346,530,013

5. Financial assets and financial liabilities (continued)**Accounting classifications and fair values (continued)**

31 December 2024	Other financial assets at amortised cost	Fair value through profit or loss	Other financial liabilities at amortised cost	Total carrying amount	Fair value
Cash and current accounts	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

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 at 31 December 2025 and as at 31 December 2024:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

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

31 December 2025	Amortised cost	Level 1	Level 2	Level 3	Total
Cash and current accounts	101,099	101,099	-	-	101,099
Distributions bank accounts	249,404,301	249,404,301	-	-	249,404,301
Deposits with banks	149,105,050	149,105,050	-	-	149,105,050
Other financial assets	12,134	-	-	12,134	12,134
Other financial liabilities	(7,210,619)	-	-	(7,210,619)	(7,210,619)
Payable to shareholders	(248,971,672)	-	-	(248,971,672)	(248,971,672)
Total	142,440,293	398,610,450	-	(256,170,157)	142,440,293

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:

31 December 2025	Level 1	Level 2	Level 3	Total
Equity investments:	108,962,647	-	2,095,127,072	2,204,089,720
<i>Infrastructure</i>	-	-	1,762,909,536	1,762,909,536
<i>Salt Mining</i>	-	-	259,900,029	259,900,029
<i>Aluminium</i>	108,962,647	-	-	108,962,647
<i>Heavy industry</i>	-	-	31,234,200	31,234,200
<i>Postal services</i>	-	-	26,097,293	26,097,293
<i>Others</i>	-	-	14,986,015	14,986,015
Total	108,962,647	-	2,095,127,072	2,204,089,720

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

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

Valuation process

The Fund has an established control framework with respect to the measurement of fair values. This framework includes a valuation department and a valuation committee, both independent of portfolio management which have overall responsibility for fair value measurements. The Fund's Sole Director believes that the fair values of the equity investments presented in these financial statements represent the best estimates based on available information and under the current conditions.

The valuations are based on prevailing market, economic and other conditions at the valuation date and correspond with the current context in the global financial markets. To the extent possible, these conditions were reflected in the valuation. However, the factors driving these conditions can change over relatively short periods of time. The impact of any subsequent changes in these conditions on the global economy and financial markets generally, and on the Fund's portfolio holdings specifically, could impact the estimated fair values in the future, either positively or negatively.

The achievement of the forecasts included in the valuation reports critically depends on the assumptions used, on the specific developments of the portfolio companies' business, on government legislation and, in case of electricity sector, on the decisions regarding the regulated tariffs for electricity distribution as well as on the continuing restructuring process of the power sector. As a result, the current valuation may not have identified, or reliably quantified the impact of all such uncertainties and implications.

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

The annual valuation process usually starts in the last quarter of each year with new valuation reports being prepared at 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 the December NAV and also 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.

For all companies except IOR SA, Mecon SA, Plafar SA and Aeroportul International Timisoara - Traian Vuia SA, the valuation reports were prepared as at 31 October 2025 (for 31 December 2024: 31 October 2024), based on the financial information available for the companies under valuation at 30 September 2025 and took into consideration all relevant corporate events up to 31 December 2025.

For IOR SA, although the company is considered illiquid, due to materiality reasons (0.03% of total Level 3 assets at both 31 December 2025 and 31 December 2024), the Fund decided to value the company at market price.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

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

For Mecon SA, which has been valued based on public information, the valuation date is 30 June 2025 (31 December 2024: 30 June 2024). Although the shares of Mecon SA started trading in Q2 2024 (with last trading session recorded in May 2025), this did not result in an active market as defined in IFRS 13 - Valuation at fair value based on the analysis and judgment performed. Therefore, the Fund assessed that the market trades are not representative of the fair value of the holding due to the low volume and did not apply a mark-to-market valuation method. In accordance with the assessment performed and applicable regulations, the holding continued to be valued based on other valuation techniques, namely the valuation report prepared with the assistance of the external valuer.

For Plafar SA, due to lack of proper financial information to perform an updated valuation, the Fund decided to value the company at RON 0.

With the assistance of the external valuers, the Fund prepared a subsequent analysis with the purpose of checking if any significant events occurred between the valuation report dates and the authorization of these annual financial statements. For all holdings except the ones presented in the below table, there was no information known or available to the Fund's management which may have significant impact on the fair values of the equity investments as at the reporting date, as they are presented in these annual financial statements. Please see in the table below a summary of valuation adjustments performed compared to the amounts presented in the Preliminary Results Report for the Financial Year ended 31 December 2025:

Company	Value as per Preliminary Results Report	Updated value for 31 December 2025 Financial Statements	Variation
CN Administratia Porturilor Maritime SA	361,599,764	365,440,056	3,840,291
Zirom SA	29,431,800	31,234,200	1,802,400
CN Administratia Canalelor Navigabile SA	14,226,177	13,453,032	(773,146)
Plafar SA	3,135,362	-	(3,135,362)
Aeroportul International Mihail Kogalniceanu - Constanta SA	2,292,000	2,565,501	273,500
Total	410,685,104	412,692,788	2,007,685

For 31 December 2024, based on the result of the analysis performed by the Sole Director, valuation reports were prepared at 31 December 2024 (based on financial information as at that respective date) for Societatea Nationala a Sarii SA and Complexul Energetic Oltenia SA. Total impact compared to previous valuation: RON 66.4 million fair value decrease. For the following four companies: CN Administratia Porturilor Maritime SA, 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. Total impact compared to previous valuation: RON 21.5 million 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

5. Financial assets and financial liabilities (continued)**Valuation process Financial assets measured at fair value – Level 3**

The table below presents the movement in Level 3 equity investments during the year ended 31 December 2025 and the year ended 31 December 2024:

	Year ended 31 Dec 2025	Year ended 31 Dec 2024	Year ended 31 Dec 2024
	Equity investments	Equity investments	Non-current assets held for sale
Opening balance	1,784,043,967	1,672,153,855	432,616,168
Net unrealised gain recognised in profit or loss	311,083,106	111,890,112	
Disposals		-	(432,616,168)
Closing balance	2,095,127,072	1,784,043,967	-

The valuation for the Level 3 equity investments as at 31 December 2025 was prepared as follows:

- 80.02% of the fair value of Level 3 equity investments was determined based on the valuation report updated with the assistance of the external valuation services provider as at 31 October 2025;
- 19.58% of the fair value of Level 3 equity investments was determined based on the valuations updated with the assistance of the external valuation services provider as at 31 December 2025;
- 0.26% of the fair value of Level 3 equity investments was determined based on the valuation report updated with the assistance of the external valuation services provider as at 31 August 2025;
- 0.11% of the fair value of Level 3 equity investments was determined based on the valuation report updated with the assistance of the external valuation services provider as at 30 June 2025;
- 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 reorganisation or which ceased their activity were valued at nil. Plafar SA was also valued at nil due to lack of sufficient information provided for the purpose of the valuation process.

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

- 61.93% of the fair value of Level 3 equity investments was determined based on the valuation report updated with the assistance of the external valuation services provider as at 31 October 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 at 31 October 2024 updated based on the significant events analysis as described above;
- 17.01% of the fair value of Level 3 equity investments was determined based on the valuation report updated with the assistance of the external valuation services provider as at 31 December 2024;
- 0.13% 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 at 30 June 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 reorganisation or which ceased their activity were valued at nil.

5. Financial assets and financial liabilities (continued)

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

As at 31 December 2025, the fair value for 1.2% of the Level 3 equity investments (31 December 2024: 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 98.7% of the Level 3 equity investments (31 December 2024: 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 maximise the use of relevant observable inputs and minimise the use of unobservable inputs, which ensures that the underlying data is accurate, and that appropriate inputs were used in the valuation.

Significant unobservable inputs are the following:

Revenue multiple: is a tool used to appraise businesses based on market comparison to similar public companies. Revenue based business value estimation may be preferred to earnings multiple valuation whenever there is uncertainty regarding some of a company's expenses. The most common tendency is to value a firm based on its sales whenever this number is the most direct indication of a company's earning capacity.

EBITDA multiple: represents the most relevant multiple used when pricing investments and it is calculated using information from comparable public companies (similar geographic location, industry size, target markets and other factors that valuers consider to be reasonable). The traded multiples for comparable companies are determined by dividing the enterprise value of a company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

Discount for lack of marketability: represents the discount applied to the comparable market multiples to reflect the liquidity differences between a portfolio company relative to its comparable peer group. Valuers estimate the discount for lack of marketability based on their professional judgement after considering market liquidity conditions and company-specific factors.

Discount for lack of control: represents the discount applied to reflect the absence of the power of control considered under the discounted cash flow method, to derive the value of a minority shareholding in the equity of subject companies.

Weighted average cost of capital: represents the calculation of a company's cost of capital in nominal terms (including inflation), based on the Capital Asset Pricing Model. All capital sources (shares, bonds and any other long-term debts) are included in a weighted average cost of capital calculation.

Long-term growth rate (g), also known as the terminal growth rate, is the rate at which a company's cash flows are expected to grow indefinitely 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.

1% building tax brought by OUG 156/2024 (For 31 December 2024): As described in the taxation risk section of Note 4 – Risk management, on 30 December 2024 OUG 156/2024 was published which brought a 1% construction tax on the value of the special constructions existing in the taxpayers' patrimony on 31 December of the previous year.

5. Financial assets and financial liabilities (continued)

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

1% building tax brought by OUG 156/2024 (continued)

Based on the analysis performed by the Fund with the assistance of the external valuers and also legal consultants which took into account factors such as uncertainties regarding the area of applicability, the calculation method, the measures to be implemented by each of the companies and also possible legal actions to be taken against the change, the Fund estimated that the application of this tax impacted the future net cash flows for only 1 year and this assumption was included in the valuation used in the preparation of the financial statements at 31 December 2024. As the percentage was reduced through GEO 21/2025 as described at Note 4 – Risk management, the tax was not considered to be a significant unobservable input for the valuation process conducted at year-end 2025.

For the portfolio company CN Aeroporturi Bucuresti SA a significant unobservable input is linked to the final outcome of the share capital increase process that the company needs to implement by incorporating the plot of land. Assuming the share capital increase is performed at a reasonable valuation of the plot of land, it is the Fund's intention to participate with cash in order to preserve its stake in the holding. Please see the section below for more information.

Fondul Proprietatea is not directly affected by climate related matters. However, Fondul owns holdings in a number of portfolio companies which by the specific of their activity are impacted by climate related matters. The assessment of climate-related factors and their impact on valuation require comprehensive and detailed company-specific data related to a set of environmental, ecological, economic, social and governance factors. The process of reaching a globally accepted set of standards to incorporate ESG considerations into the valuation of a business is still in progress.

For the relevant portfolio companies, based on the information available, under income approach a higher volatility, 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 as within the market approach, as these were deemed to already reflect the investors perspective regarding the companies' profitability and risk related to ESG factors. Please note that at 31 December 2025 the income approach is the main method for most of the portfolio holdings (98.7%) (31 December 2024: 98.6%).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

5. Financial assets and financial liabilities (continued)

Financial assets	Fair value as at 31 December 2025	Main valuation technique	Unobservable inputs range (weighted average)	Relationship of unobservable inputs to fair value
Total	2,095,127,072			
Unlisted equity instruments and listed illiquid equity instruments	2,066,089,809	Income approach – discounted cash flow method (DCF)	<p>EBIT estimated for each company</p> <p>Weighted average cost of capital ranging from 10.1% - 18.1% (12.49%)</p> <p>Discount for lack of marketability ranging from 11.4% - 16.4% (16.11%)</p> <p>Discount for lack of control: 0% - 27% (17.84%)</p> <p>Long-term growth rate: 3% - 4.1% (3.19%)</p>	<p>The higher the EBIT estimates, the higher the fair value.</p> <p>The lower the weighted average cost of capital, the higher the fair value.</p> <p>The lower the discount for the lack of marketability, the higher the fair value.</p> <p>The lower the discount for the lack of control, the higher the fair value.</p> <p>The higher the long-term growth rate, the higher the fair value.</p>
Unlisted equity instruments	26,097,293	Market approach - comparable companies (based on Price /Earnings multiple)	<p>Price/Earnings value: 10.27</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	2,347,337	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	592,634	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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

5. Financial assets and financial liabilities (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)	<p>EBIT estimated for each company</p> <p>Weighted average cost of capital ranging from 10.2% - 17.81% (13.24%)</p> <p>Discount for lack of marketability ranging from 11.4% - 16.1% (15.81%)</p> <p>Discount for lack of control: 0% - 26.7% (17.85%)</p> <p>Long-term growth rate: 2.50% - 3% (2.51%)</p> <p>1% building tax brought by OUG 156/2024 applied for 1 year</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 longer the period of applicability of the tax, 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 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 un-observable 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	613,612	Bucharest Stock Exchange reference price	These shares are traded infrequently and have little price transparency. Fair values for these equity instruments were considered to be those used in the calculation of the net asset value of the Fund, in accordance with the regulations issued by the Financial Supervisory Authority.	

As at 31 December 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.

CN Aeroporturi Bucuresti SA

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. Please see the dedicated sections below for a short summary regarding the litigation as well as valuation assumptions.

5. Financial assets and financial liabilities (continued)

CN Aeroporturi Bucuresti SA (continued)

Share capital increase litigation

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 and the next hearing has been set for 8 October 2026. The Sole Director will analyse the future actions of CNAB and the potential impact on the valuation of the company.

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:

- 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 judgment of the court was communicated on 7 October 2025. The Fund filed an appeal, which was dismissed as unfounded on 25 February 2026. The court decision was received by the Fund on 17 March 2026 and is subject to second appeal that may be submitted until 20 April 2026;
- 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 Fund filed an appeal, which was dismissed as unfounded. The decision is final.

For full details on 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.

In order to ensure a reasonable valuation aligned with the legal requirements, the Fund will initiate any necessary legal actions to protect the interest of the shareholders, as needed and depending on the future actions taken by the company in relation to the capital increase process.

Valuation of the company

As at 31 December 2025, the valuation of the Fund's interest in CN Aeroporturi Bucuresti SA is derived with support from an independent valuation service provider - KPMG Advisory SRL.

The valuation was performed in accordance with the Asset Valuation Standards - 2025 edition (SEV 2025) issued by ANEVAR (National Association of Authorised Appraisers in Romania), aligned with International Valuation Standards (IVS) and it is based on fair value concept required under IFRS 13 Fair Value Measurement.

The valuation uses the most recent financial and operational information available as at 30 September 2025, adjusted to reflect conditions at the valuation date (i.e. 31 October 2025), and relies on CNAB's business plan for 2025–2030, discussions with management, audited IFRS financial statements of the company and publicly available market data.

5. Financial assets and financial liabilities (continued)

CN Aeroporturi Bucuresti SA (continued)

Valuation of the company (continued)

Based on the subsequent events analysis performed by the Fund during which it received from the company an updated business plan as well as financial information at 31 December 2025, no significant adjustments were identified compared to the value found in the 31 October 2025 valuation report, which is included in these financial statements.

For the purpose of fair value estimation, the valuation considers the Income Approach (DCF – discounted cash flows) as the primary method, supporting the results recorded for 2025 and in the 31 December 2025 NAV report of the Fund. The valuation report also includes a reasonableness cross-check of the results based on the Market Approach (comparable companies).

The Income Approach incorporates management's business plan and traffic projections for the existing operating assets supporting the business, which include assumptions regarding: passenger growth, capital expenditure execution, regulatory developments, and the impact of recent fiscal measures.

The Sole Director is monitoring the developments regarding the prospective second terminal that could create additional long-term value for CNAB. However, at the authorisation date of these financial statements, the company did not provide in sufficient detail and under relevant corporate approvals the necessary information for this project, such as: growth impact, capital expenditure phasing, financing structure, timing or other operating implications. Therefore, any potential impact could not be incorporated in the current valuation.

Estimated equity value of CNAB	Income Approach (DCF)
Sensitivity range	RON 9.4 – 10.9 billion
Equity value (base case)	RON 10.07 billion
Equity value corresponding to the Fund's holding (before discounts)	RON 2.01 billion
Fair value of the Fund's holding in CNAB	RON 1.37 billion

Source: CNAB valuation report prepared by KPMG Advisory, Sole Director computations

Due to the fact that the Income Approach yields a controlling and marketable equity value, adjustments are applied to reflect the characteristics of the asset held. In line with market-participant assumptions and consistent with IFRS 13 requirements, the Fund applies a discount for lack of control and a discount for lack of marketability to the equity value presented above, to arrive at the fair value of the minority, unlisted, and illiquid interest.

The Fund's holding in CNAB was valued using the same assumptions and valuation methodology as in the previous valuation reports prepared during prior periods. Assuming the share capital increase with the value of the lands at Baneasa Airport described at the section above, would be performed by CNAB 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. This assumption is reflected in the Fund's cash management process and decisions related to the available liquidity.

On 9 January 2026, CN Aeroporturi Bucuresti SA's EGM approved, with majority of votes (80%), the proposals regarding the approval of the intention to repurchase the minority stake held by Fondul Proprietatea SA in CNAB. The approval was for the initiation of a procedure for the acquisition of financial consultancy and legal assistance services for the structuring of the transaction, the valuation of the participation, assistance in negotiation, the finalisation of legal documents for the completion of the transaction. The Fund has not identified sufficient arguments that would lead to a reasonable adjustment of the value of the Company at 31 December 2025. The Fund will continue to monitor the situation and any further developments that may impact the valuation.

Please see Note 19 – Subsequent events for information regarding the intention of the company to repurchase the minority stake held by Fondul Proprietatea.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

5. Financial assets and financial liabilities (continued)**Societatea Nationala a Sarii SA valuation**

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 the Praid mine will not be operational for tourism until FY 2028, when the programmed investment in a new touristic mine would be completed and that the company would receive state aid in amount of RON 76.5 million to cover the losses from the Praid mine flooding (received on 23 December 2025).

The Fund will closely monitor the situation for any relevant developments.

Sensitivity analysis

The sensitivity analysis below was performed for the equity investments representing 96.66% (31 December 2024: 97.16%) of the total unlisted portfolio and considered the most relevant unobservable inputs impacting the holdings values and their reasonable possible variance. The analysis assumes that all other variables remain unchanged.

Valuation techniques used	Change in the significant unobservable inputs used in the valuation	Impact on the profit or loss as at 31 December	
		2025	2024
Income approach - discounted cash flow method	EBIT increase by 10%	190,205,435	164,353,587
	EBIT decrease by 10%	(190,461,983)	(164,367,834)
	Weighted average cost of capital increase with 0.50 percentage points	(65,420,000)	(60,650,000)
	Weighted average cost of capital decrease with 0.50 percentage points	73,230,000	67,930,000
	Discount for lack of marketability increase by 10%	(38,940,000)	(32,390,000)
	Discount for lack of marketability decrease by 10%	38,940,000	32,390,000
	Discount for lack of control increase by 10%	(44,750,000)	(37,980,000)
	Discount for lack of control decrease by 10%	44,750,000	37,980,000
	Long-term revenue growth rate increase with 0.50 percentage points	74,570,000	73,700,000
	Long-term revenue growth rate decrease with 0.50 percentage points	(66,630,000)	(65,790,000)

In addition to the analysis presented above, the Sole Director has also prepared the following specific analysis for the most significant unlisted holdings at 31 December 2025:

Company	Value	% of equity portfolio at 31 December 2025	Significant valuation input
CN Aeroporturi Bucuresti SA	1,366,499,940	62.00%	Passenger traffic
CN Administratia Porturilor Maritime SA	365,440,056	16.58%	Turnover
Societatea Nationala a Sarii SA	259,900,029	11.79%	Net Sales
Total	1,987,999,733	90.37%	

At 31 December 2024 the sensitivity analysis was performed for the same companies:

Company	Value	% of equity portfolio at 31 December 2024	Significant valuation input
CN Aeroporturi Bucuresti SA	1,033,899,748	54.60%	Passenger traffic
CN Administratia Porturilor Maritime SA	357,699,983	18.89%	Turnover
Societatea Nationala a Sarii SA	297,480,262	15.71%	Net Sales
Total	1,689,079,994	89.19%	

The sensitivity analysis was based on the stress tests analysis performed with the assistance of the of the external valuation services providers KPMG and Darian. The Equity value of the companies considered in the stress test analysis was estimated based on the income approach (DCF methodology).

5. Financial assets and financial liabilities (continued)

Sensitivity analysis (continued)

a) Changes in Passenger traffic - CN Aeroporturi Bucuresti SA

Assumptions used in Base Case Valuation

During the forecasted period passenger traffic projections were prepared by the Company's management based on reports prepared by global infrastructure advisory experts. The projected increase in passenger traffic over the forecast period is consistent with general European trends and further supported by structural changes within the air travel sector, particularly those related to Romania's air integration into the Schengen Area starting March 2024.

Scenarios considered and results

For the purpose of the Stress Test Analysis, in both Low case and High case scenarios the variation in passenger traffic was estimated by considering industry forecasts published during the year 2025, regarding global airport passenger traffic, as well as other industry publications and macroeconomic forecasts

For low case the Fund estimates that the value of the holding would decrease by 9.7%, whereas for high case an increase of 8.2% is estimated (31 December 2024: For low case the Fund estimates that the value of the holding would decrease by 15.2% whereas in the high case an increase of 16.8% is estimated).

b) Changes in Turnover - CN Administratia Porturilor Maritime SA

Assumptions used in Base Case Valuation

The estimations for the forecast period were performed taking into account the declines observed in 2024–2025 and the expectation that global trade flows will increasingly replace Ukraine-related traffic. The estimation is in line with industry forecasts.

Furthermore, investment plans (investments in infrastructure, such as the modernization of quays and the expansion of transport networks in the port) are expected to have a positive impact leading to an increase in traffic volume.

Scenarios considered and results

For high case, the analysis took into consideration the conservative projected turnover from the Base Case Valuation, and in the context of the change expected in geopolitical considerations, the approach assumes the company will increase in real terms its net sales during the period FY2026 – FY2030, above the expected GDP growth rate and the maritime industry growth rate, heading to an increase close with industry growth rate in the terminal period.

For low case, the analysis maintained the conservative projected turnover from the Base Case Valuation, respectively for period FY2026 – FY2030 the turnover forecast was adjusted in order to stress the impact of a realization of half of the projected turnover increases, heading to an increase in line with inflation rate in the terminal period. This assumption implies that the current geopolitical context will impact long term the economic development of the region, with a slow recovery towards the end of the explicit period.

For low case the Fund estimates that the value of the holding would decrease by 16.4%, whereas in the high case an increase of 20.1% is estimated (31 December 2024: For low case the Fund estimates that the value of the holding would decrease by 14.6% whereas in the high case an increase of 16.8% is estimated).

c) Changes in Net sales - Societatea Nationala a Sarii SA

Assumptions used in Base Case Valuation

For forecasted FY2026 - FY2027 revenues were forecast based on FY2025 expected results, considering a growing trend. For the rest of the forecasted period up to FY2030 the estimated figures we extrapolated based on provided budget with certain assumptions being considered such as:

5. Financial assets and financial liabilities (continued)

Sensitivity analysis (continued)

c) Changes in Net sales - Societatea Nationala a Sarii SA (continued)

Assumptions used in Base Case Valuation (continued)

The Praid mine was considered not operational for tourism until FY 2028, when the programmed investment in a new touristic mine would be completed. The valuation also factors in the receipt of the state aid to cover the losses from the Praid mine flooding (which the company received during December 2025).

Scenarios considered and results

For high case, turnover and revenues from goods for FY2026 – FY2030 were forecasted to increase in line with the inflation rate projected by EIU, thus enabling the Company to maintain its revenue level in real terms.

For low case, turnover and revenues from goods for resale for FY 2026 were forecast to decrease by 1% as compared to the Base case in order to reflect the price decrease started in 2024 and 2025, and to maintain the market share.

For low case the Fund estimates that the value of the holding would decrease by 19.3%, whereas in the high case an increase of 27.1% is estimated (31 December 2024: For low case the Fund estimates that the value of the holding would decrease by 18.0% whereas in the high case an increase of 14.7% is estimated).

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

	Year ended 31 December 2025	Year ended 31 December 2024
Net unrealised gain from equity investments at fair value through profit or loss	359,688,693	194,959,958
Net unrealised (loss) from equity investments at fair value through profit or loss	(49,334,435)	(85,620,811)
Total	310,354,259	109,339,147

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

The net unrealised gain from equity investments at fair value through profit or loss the year ended 31 December 2025 was mainly generated by the change in fair value for the holdings in CN Aeroporturi Bucuresti SA (unrealised gain of RON 332,600,191), CN Administratia Porturilor Maritime SA (unrealised gain of RON 7,740,073) and CN Administratia Canalelor Navigabile SA (unrealised gain of RON 5,849,870).

The net unrealised gain from equity investments at fair value through profit or loss the year ended 31 December 2024 was mainly generated by the change in fair value for the holdings in CN Aeroporturi Bucuresti SA (unrealised gain of RON 156,199,815) and CN Administratia Porturilor Maritime SA (unrealised gain of RON 29,399,399).

The net unrealised loss from equity investments at fair value through profit or loss for the year ended 31 December 2025 was mainly generated by the decrease in the fair value of the holding in Societatea Nationala a Sarii SA (unrealised loss of RON 37,580,234) and Complexul Energetic Oltenia SA (unrealised loss of RON 5,972,718).

The net unrealised loss from equity investments at fair value through profit or loss for the year ended 31 December 2024 was mainly generated by the decrease in the fair value of the holding in Complexul Energetic Oltenia SA (unrealised loss of RON 50,867,747), Societatea Nationala a Sarii SA (unrealised loss of RON 20,919,545) and CN Administratia Canalelor Navigabile SA (unrealised loss of RON 7,960,154).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

7. Gross dividend income

	Year ended 31 December 2025	Year ended 31 December 2024
CN Aeroporturi Bucuresti SA	103,023,191	80,369,314
Societatea Nationala a Sarii SA	51,977,438	63,728,624
Others	606,498	1,750,986
Total	155,607,128	145,848,924

The dividend income was subject to 10% Romanian withholding tax during the year ended 31 December 2025 and 8% for the year ended 31 December 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 payment 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 Sole Director may propose the distribution to shareholders of such amounts after considering the on-going measures imposed through the Investment Policy Statement of the Fund and the Management Agreement. Both these documents can be found on the Funds webpage.

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 years ended 31 December 2025 and 31 December 2024.

8. Interest income

The interest income recorded for the year ended 31 December 2025 of RON 20,475,022 (31 December 2024: RON 34,091,919) was generated through cash placements performed by the Fund under the regular cash management process. A significant part of the income recorded was generated by interest on distribution accounts related to uncollected balances from the September 2023 distribution (see Note 15 (a) for more details).

9. Operating expenses

	Year ended 31 December 2025	Year ended 31 December 2024
FTIS administration fees (i)	19,624,144	19,580,149
Third party services (ii)	9,752,789	11,145,718
FSA monthly fees (iii)	1,974,366	2,086,455
Fund Manager selection expenses (iv)	1,779,415	1,889,251
BON remunerations and related taxes (v)	1,383,643	1,635,488
Other Board of Nominees related costs (vi)	626,041	497,913
Depositary bank fee	60,056	58,787
Other operating expenses	168,483	118,976
	35,368,937	37,012,737

(i) FTIS administration fees

The administration fees include the base fee and the distribution fee. The distribution fee related to dividend distributions to shareholders is recognised through profit or loss while the distribution fee related to the buy-backs is recognised directly in equity as buy-backs acquisition cost.

The administration fees recorded during the year ended 31 December 2025 and the year ended 31 December 2024 are presented in the table below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

9. Operating expenses (continued)*(i) FTIS administration fees (continued)*

	Year ended 31 December 2025	Year ended 31 December 2024
Base fee	16,772,111	15,863,874
Distribution fee related to dividend distributions to shareholders	2,852,034	3,716,275
Administration fees recognised in profit or loss	19,624,144	19,580,149
Distribution fees related to buy-backs recognised in equity	2,064,361	3,784,809
Total administration fees	21,688,505	23,364,959

The increase in base fee during 2025 compared to 2024 is mainly due to the higher market capitalisation of the Fund as a result of the increase in FP share price (70.16% increase in share price at 31 December 2025 compared to 31 December 2024). The distribution fee for dividends is lower in 2025 compared to 2024 as a result of the lower total gross dividends distributed (23.23% decrease in total distributed amount during 2025 compared to 2024). The distribution fee for buy-backs has decreased in 2025 compared to 2024 due to lower number of shares bought back (29.1% decrease in total bought back shares during 2025 compared to 2024) as well as total buy-back acquisition value which represents the calculation base for the distribution fee (45.51% decrease in total value of shares bought back during 2025 compared to 2024).

(ii) Third party services

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

	Year ended 31 December 2025	Year ended 31 December 2024
Legal and litigation assistance expenses	3,429,087	3,962,736
External audit	1,221,205	980,638
Portfolio valuation services	1,191,896	1,361,361
GSM organization	765,091	694,270
Tax compliance and tax advisory expenses	625,839	565,825
Internal audit fees	421,987	108,207
Investors' relations expenses	354,225	451,627
Government relations consultancy services	336,642	417,358
PR expenses	283,821	500,671
Regulatory and compliance expenses	265,999	519,064
GDR delisting	155,600	642,203
Corporate brokerage fee	103,030	406,452
Other	598,368	535,305
	9,752,789	11,145,718

Other services mainly include central depository fees and software maintenance fees.

The financial audit fees are recorded in the year they relate to. The financial auditor of Fondul Proprietatea for the financial years ended 31 December 2025 and 31 December 2024 is Ernst & Young Assurance Services SRL. The table below contains information regarding total audit fees for the years ended 31 December 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

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

	Year ended 31 December 2025	Year ended 31 December 2024
Financial auditor's fee (including VAT)		
Statutory audit	844,789	818,957
Non-audit services, such as	376,415	161,681
<i>Agreed-upon procedures report based on shareholder request</i>	214,721	-
<i>Other non-audit services</i>	161,694	161,681
Total fees	1,221,205	980,638

On 18 August 2025 a group of shareholders which control more than 5% of voting rights requested 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 alternative investment fund manager of the Fund.

Other non-audit service fees are related to the annual limited assurance report specifically requested by the FSA regarding buy-back programmes funding.

	Year ended 31 December 2025	Year ended 31 December 2024
Internal audit fees (including VAT)		
<i>Internal audit report based on shareholder request</i>	275,178	-
<i>Regular internal audit fees</i>	146,808	108,207
Total fees	421,987	108,207

On 8 September 2025, a group of shareholders which control more than 5% of voting rights requested the preparation of an internal audit report by the internal auditor of the Fund regarding the entire process conducted by the Board of Nominees for the selection of a new alternative investment fund manager.

(iii) FSA monthly fees

During 2025 and 2024, the FSA fee was 0.0078% per month applied on the total net asset value. The decrease seen between the two years is due to the fact that the Fund's total average NAV decreased compared to the previous period (5.47% decrease in average NAV during 2025 compared average NAV during 2024).

(iv) 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.

During the 29 September 2025 GSM, the Fund's shareholders approved the cancellation of the selection process - please see Note 1 – General information.

(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).

(vi) Other BON related costs

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

9. Operating expenses (continued)*(vi) Other BON related costs (continued)*

	Year ended 31 December 2025	Year ended 31 December 2024
Professional insurance costs	248,522	243,564
Advisory services	217,884	85,259
Other costs (accommodation, transport, meals, etc.)	159,636	169,090
	626,041	497,913

The majority of advisory services and other costs related to BON were incurred before 29 September 2025, except payroll services, which are billed monthly.

10. Income tax

The tables below show a reconciliation of the tax expense registered by the Fund during the year ended 31 December 2025 and the year ended 31 December 2024.

	Year ended 31 December 2025	Year ended 31 December 2024
Reconciliation of effective tax rate		
Net profit for the year	449,911,570	251,532,842
Income tax based on taxable profits	(1,093,874)	(1,763,416)
Profit excluding income tax	451,005,444	253,296,259

Income tax expense using the standard tax rate (16%)

	72,160,871	40,527,401
Impact on the income tax of:		
Non-taxable income (other than dividend income)	(77,653,331)	(52,765,229)
Non-taxable dividend income	(24,897,140)	(23,335,828)
Non-deductible expenses	34,035,848	41,451,711
Fiscal result impact in the current year considering the available for use brought forward fiscal loss	(2,552,373)	(4,114,640)
Income tax based on taxable profits	1,093,874	1,763,416

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

	Year ended 31 December 2025	Year ended 31 December 2024
Impact on the income tax of:		
Elements similar to revenues (taxable equity items)	9,022,564	37,618,946
Fiscal result impact in the current year considering the available for use brought forward fiscal loss	(6,315,794)	(26,333,261)
Tax on equity items, of which related to:	2,706,769	11,285,684
<i>Taxable legal reserve reduction</i>	1,775,368	10,544,995
<i>Dividends with statute of limitation declared</i>	931,401	740,688

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

10. Income tax (continued)

The fiscal result impact as at 31 December 2025 of RON 8,868,168 (RON 2,552,373 for profit and loss and RON 6,315,794 for equity from the tables above) represents the utilizable amount at 31 December 2025 of the brought forward fiscal loss as per the legislative change presented above.

The fiscal result impact as at 31 December 2024 of RON 30,447,902 (RON 4,114,640 for profit and loss and RON 26,333,261 for equity from the tables above) represents the utilizable amount at 31 December 2024 of the brought forward fiscal loss as per the legislative change presented above.

During the 2 December 2024 GSM, the shareholders approved the decrease of the Fund's share capital by RON 184,934,216, from RON 1,849,342,164.28 to RON 1,664,407,948.32, pursuant to the cancellation of 355,642,723 own shares acquired by Fondul Proprietatea during 2024 through the 15th buy-back programme- See Note 16(a) for more details. After all legal steps were performed, the reduction was completed on 13 August 2025 when the then legal reserve of RON 369,868,432.86 represented 22.22% of the new share capital. The difference between this amount and RON 332,881,589.66, which represented 20% of the new share capital (difference of RON 36,986,843) was considered taxable income from a fiscal point of view

During the 30 April 2024 GSM, the shareholders approved the decrease of the Fund's share capital by RON 1,098,437,022.28, from RON 2,947,779,186.56 to RON 1,849,342,164.28, pursuant to the cancellation of 2,112,378,889 own shares acquired by Fondul Proprietatea during 2023 through the 14th buy-back programme- See Note 16(a) for more details. After all legal steps were performed, the reduction was completed on 30 August 2024 when the then legal reserve of RON 589,555,837.31 represented 31.88% of the new share capital. The difference between this amount and RON 369,868,433 which represented 20% of the new share capital (difference of RON 219,687,404) was considered taxable income from a fiscal point of view.

According to IAS 12 requirements, the accounting for the current and deferred tax effects of a transaction or other event is consistent with the accounting for the transaction or event itself. As such, the corresponding income tax that resulted from the reduction in share capital was also recorded directly in retained earnings (31 December 2025: RON 1,775,368 and 31 December 2024: RON 10,544,995 from the table above).

During the year ended 31 December 2025, the statute of limitations for two dividend distributions occurred and, as such, the Fund transferred the related amounts (total RON: 19,404,179) back to the retained earnings to be at the disposal of the shareholders for future use. Considering the IAS 12 requirements stated above, this booking also generated income tax in amount of RON 931,401 as seen in the table above, which was recorded directly to retained earnings.

Also, during year ended 31 December 2024, the statute of limitations for three dividend distributions occurred and, as such, the Fund transferred the related amounts (total RON: 15,431,009) back to the retained earnings to be at the disposal of the shareholders for future use. Considering the IAS 12 requirements stated above, this booking also generated income tax in amount of RON 740,688 as seen in the table above, which was recorded directly to retained earnings.

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

As at 31 December 2025 the Fund has an income tax due to the State Budget in amount of RON 1,018,575 (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. Eligibility criteria for this new minimum tax was set at adjusted turnover above EUR 50 million in the previous fiscal year. Based on the analysis performed, the Fund falls outside the area of applicability of the minimum tax for the financial year ended on 31 December 2025 (same as for 31 December 2024).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

10. Income tax (continued)

Furthermore, based on the adjusted turnover for the year ended 31 December 2025, the Fund is expected to continue to fall outside the applicability area of the tax in financial year which will end on 31 December 2026.

See Note 11 Deferred tax for details regarding the deferred tax computation and recognition.

11. Deferred tax

As at 31 December 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 at 31 December 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 at 31 December 2025 the unused fiscal loss carried forward amounts to RON 239,322,259, out of which RON 42,668,464 will expire on 31 December 2027 and RON 196,653,795 will expire on 31 December 2029.

As at 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 year ended 31 December 2025 and year ended 31 December 2024. The deferred tax balances during both these years were zero.

12. Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary paid shares in issue during the year, excluding the average number of ordinary shares purchased by the Fund and held as treasury shares (based on their settlement date). As at 31 December 2025 and 31 December 2024, none of the Fund's issued shares or other instruments had dilutive effect, therefore basic and diluted earnings per share are the same.

	Year ended 31 December 2025	Year ended 31 December 2024
Profit for the year	449,911,570	251,532,566
Weighted average number of ordinary shares	3,067,630,666	3,439,868,300
Basic and diluted earnings per share	0.1467	0.0731

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

	31 December 2025	31 December 2024
Current accounts with banks	101,099	226,802
Cash and current accounts	101,099	226,802

	31 December 2025	31 December 2024
Distributions bank accounts	248,682,829	284,442,572
Interest accrued on distributions bank accounts	721,472	785,554
Distribution bank accounts	249,404,301	285,228,126

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

**13. Cash and current accounts, deposits with banks and distribution accounts
(continued)**

	31 December 2025	31 December 2024
Bank deposits with original maturities of less than three months	148,878,334	273,536,175
Interest accrued on bank deposits	226,716	211,546
Deposits with banks	149,105,050	273,747,721

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. Please see Note 3 – Material accounting policies (e) Cash, current accounts and deposits with banks.

14. Equity investments

All Fund's equity investments are classified at fair value through profit or loss.

The equity instruments of the Fund are valued at fair value as follows:

- At fair value, determined either by reference to published prices on the stock exchange where shares are traded (listed and liquid securities) or assessed using valuation techniques in accordance with International Valuation Standards (unlisted and listed illiquid securities);
- Valued at nil, for holdings in companies in liquidation, dissolution, bankruptcy, insolvency, judicial reorganisation or which ceased their activity.

Portfolio

As at 31 December 2025 and 31 December 2024 the Fund's portfolio comprised the following holdings:

	31 December 2025	31 December 2024
CN Aeroporturi Bucuresti SA	1,366,499,940	1,033,899,748
Administratia Porturilor Maritime SA	365,440,056	357,699,983
Societatea Nationala a Sarii SA	259,900,029	297,480,262
Alro SA	108,962,647	109,691,495
Zirom SA	31,234,200	25,550,400
Posta Romana SA	26,097,293	22,327,254
CN Administratia Canalelor Navigabile SA	13,453,032	7,603,161
Alcom SA	12,046,045	10,213,272
Other	20,456,478	29,269,886
Total equity investments	2,204,089,720	1,893,735,461

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

As 31 December 2025 and 31 December 2024 the Fund had the following subsidiaries, all of which are incorporated in Romania:

	31 December 2025	31 December 2024
Zirom SA	31,234,200	25,550,400
Alcom SA	12,046,045	10,213,272
	43,280,245	35,763,672

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

	31 December 2025	31 December 2024
Societatea Nationala a Sarii SA	259,900,029	297,480,262
Plafar SA	-	3,135,362
	259,900,029	300,615,624

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

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

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 year ended 31 December 2025 and the year ended 31 December 2024 is presented below:

	Year ended 31 December 2025	Year ended 31 December 2024
Opening balance	1,893,735,461	1,784,396,314
Net gain from equity investments at fair value through profit or loss (see Note 6)	310,354,259	109,339,147
Closing balance	2,204,089,720	1,893,735,461

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.

Engie Romania SA sale

On 22 December 2023 the Fund and the majority shareholder entered on into an agreement for the sale of the entire shareholding in Engie Romania SA in exchange for a total consideration of RON 432,616,168. The transaction was finalised on 20 February 2024.

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

Total dividends payable at 31 December 2025 amount to RON 248,971,672 (31 December 2024: RON 284,460,632).

Dividends payable at 31 December 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 - 88% out of total dividends payable (31 December 2024: 84%).

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

	31 December 2025	31 December 2024
Opening balance	284,460,632	546,457,941
Gross distributions approved during the year out of which	163,105,800	212,452,479
-Annual dividends	126,888,404	-
-Special dividends	36,217,396	212,452,479
Payments of net distributions (dividends) performed from the dedicated bank accounts	(166,395,590)	(443,616,680)
Withholding tax	(12,794,991)	(15,402,100)
Distributions for which the statute of limitation occurred	(19,404,179)	(15,431,009)
Closing balance	248,971,672	284,460,632

During year ended 31 December 2025, the statute of limitations for two dividend distributions occurred and, as such, the Fund transferred the related liabilities (total RON: 19,404,179) to retained earnings to be at the disposal of the shareholders for future use.

During year ended 31 December 2024, the statute of limitations for three dividend distributions occurred and, as such, the Fund transferred the related liabilities (total RON: 15,431,009) to retained earnings to be at the disposal of the shareholders for future use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

15. Liabilities (continued)**(b) Other liabilities and provisions**

	31 December 2025	31 December 2024
FTIS Administration fees	5,648,843	3,450,577
Tax on dividends due to State Budget	1,068,891	976,505
Income tax payables	1,018,414	513,479
Financial Supervisory Authority fees	157,328	165,213
Other liabilities	1,599,471	1,630,609
	9,492,947	6,736,383

The Administration fee payables recorded at 31 December 2025 and 31 December 2024 mainly relate to the base fee for the fourth quarter of 2025 and the fourth quarter of 2024, respectively.

For 31 December 2025 other liabilities caption mainly include accruals for the fees due for portfolio valuation services, internal audit services, amounts due to software providers and other services received by the Fund.

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.

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

The movement in the paid share capital is presented below:

	Year ended 31 December 2025	Year ended 31 December 2024
Opening balance	1,849,342,164	2,947,779,187
Cancellation of treasury shares	(184,934,216)	(1,098,437,023)
Closing balance	1,664,407,948	1,849,342,164

During the year ended 31 December 2025, the paid in share capital of the Fund decreased by RON 934,216 following the cancellation on 13 August 2025 of 355,642,723 own shares acquired by Fondul Proprietatea during 2024 through the fifteenth buy-back programme.

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.

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

	31 December 2025	31 December 2024
Number of shares in issue	3,200,784,516	3,556,427,239
Number of paid shares	3,200,784,516	3,556,427,239
Nominal value per share (RON)	0.52	0.52

The shareholders structure as at 31 December 2025 and 31 December 2024 was as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

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

Shareholder categories	31 December 2025		31 December 2024	
	% of subscribed and paid share capital	% of voting rights	% of subscribed and paid share capital	% of voting rights
Romanian private individuals	47.24%	51.27%	50.92%	56.58%
Romanian institutional investors	14.01%	15.21%	16.01%	17.79%
Foreign institutional investors	12.55%	13.62%	6.21%	6.90%
Romanian State	11.57%	12.56%	10.42%	11.57%
Foreign private individuals	6.76%	7.33%	4.92%	5.47%
The Bank of New York Mellon (depository for the Fund's GDRs)	0%	0.00%	1.52%	1.69%
Treasury shares	7.88%	0.00%	10.00%	0.00%
Total	100%	100%	100%	100%

Source: Depozitarul Central SA (Central Depository)

(b) Other reserves

	31 December 2025	31 December 2024
Legal reserve (i)	332,881,590	369,868,433
Other reserves (ii)	38,353,766	-
Losses from cancellation of treasury shares (negative equity reserves) (iii)	(38,353,766)	(774,756,258)
	332,881,590	(404,887,825)

(i) As required by the Romanian Companies' Law, a minimum 5% of the profit for the year must be transferred to the legal reserve until the reserve equals at least 20% of the issued share capital. The legal reserve cannot be used for distributions to shareholders.

During the 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% of the share capital value after the implementation and effectiveness of the share capital decrease mentioned above. As the share capital was finalised on 13 August 2025, the Fund decreased the legal reserve by the mentioned amount and transferred the amount to retained earnings.

As described at the following point, the RON 36,986,843 amount afferent to the legal reserve decrease was transferred from retained earnings to other reserves to be used in order to cover the negative reserve generated by the cancelation of treasury shares as can be seen in the table below.

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 representing 21.94% of the share capital to RON 589,555,837.31 representing 20% 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% 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.

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

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

(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 cancelation of shares bought back during the 2024 buy-back programme equal to RON 38,353,766). The amount transferred was from the release of legal reserve as mentioned at the point above.

The table below shows the changes in other reserves and negative reserves, from the main category of Other reserves, recorded as result of the GSM decisions taken during the year ended 31 December 2025:

	Other reserves	Negative equity reserves
1 January 2025	-	(774,756,258)
Partial coverage of the negative reserve balance existing as at 31 December 2024 from retained earnings, according to Resolution no.4 of 29 April 2025 Ordinary General Shareholders' Meeting	-	689,417,798
Partial coverage of the negative reserve balance existing as at 31 December 2024 from 2024 net audited accounting profit, according to Resolution no.5 of 29 April 2025 Ordinary General Shareholders' Meeting		85,338,460
Allocation to other reserves from 2024 net audited accounting profit of amounts which will be used to partially cover the negative reserves arising from the cancelation of shares acquired during the 15 th buy-back programme according to Resolution no. 5 of 29 April 2025 Ordinary General Shareholders' Meeting	1,366,923	
Allocation to other reserves of amounts which will be used to partially cover the negative reserves arising from the cancelation of shares acquired during the 15 th buy-back programme according to Resolution no. 6 of 29 April 2025 Ordinary General Shareholders' Meeting	36,986,843	
Negative equity reserve arising on the cancellation of shares acquired during the 15 th buy-back programme (recorded on 13 August 2025) according to share capital decrease Resolution no. 9 of 2 December 2024 Extraordinary General Shareholders' Meeting	-	(38,353,766)
31 December 2025	38,353,766	(38,353,766)

The table below shows the changes in other reserves and negative reserves, from the main category of Other reserves, recorded as result of the GSM decisions taken during the year ended 31 December 2024:

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

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

(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 shown in the table from the point above.

As described above, 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. This reduction was performed on 13 August 2025 and as a result of the difference between the acquisition value price and the nominal value a negative reserve was recorded in total amount of RON 38,353,766 as shown in the table from the point above.

(c) Treasury shares

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

Program	GSM date approving the buy-back programme	Starting date	Completion date	Acquisition price range as approved by GSM
Sixteenth buy-back	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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

16. Shareholders' equity (continued)**(c) Treasury shares (continued)**

As part of this buy-back programme, the Fund completed on 25 September 2025 a tender offer for a total of 80,000,000 shares at a price of RON 0.6975 per share. Following this acquisition, at 30 September 2025, the Fund has bought back a total of 252,097,337 shares which represent 7.876% of total issued shares (below the 10% regulatory limit).

The movement in the number of treasury shares (including the equivalent shares of GDRs bought-back) during the years ended 31 December 2025 and 31 December 2024 is presented in the tables below:

Year ended 31 December 2025	Treasury shares number - opening balance	Acquisitions during the year	Cancellations during the year	Treasury shares number - closing balance
Fifteenth buy-back	355,642,723	-	(355,642,723)	-
Sixteenth buy-back	-	252,097,337	-	252,097,337
	355,642,723	252,097,337	(355,642,723)	252,097,337

Year ended 31 December 2024	Treasury shares number - opening balance	Acquisitions during the year	Cancellations during the year	Treasury shares number - closing balance
Fourteenth buy-back	2,112,378,889	-	(2,112,378,889)	-
Fifteenth buy-back	-	355,642,723	-	355,642,723
	2,112,378,889	355,642,723	(2,112,378,889)	355,642,723

The movement of treasury shares carrying amounts during years ended 31 December 2025 and 31 December 2024 is presented in the tables below:

Year ended 31 December 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	-	121,158,293	-	121,158,293
	223,287,982	121,158,293	(223,287,982)	121,158,293

Year ended 31 December 2024	Opening balance	Cost of treasury shares acquired	Cancellation of treasury shares	Closing balance
Fourteenth buy-back	1,873,193,280	-	(1,873,193,280)	-
Fifteenth buy-back	-	223,287,982	-	223,287,982
	1,873,193,280	223,287,982	(1,873,193,280)	223,287,982

(d) Dividend distributions

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 (Total of RON: 126,888,404). 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.

During the 29 September 2025 General Shareholders Meeting, the Fund's shareholders approved the distribution of a gross dividend of RON 0.0122825494 per share from retained earnings (Total of RON: 36,217,394).

16. Shareholders' equity (continued)

(d) Dividend distributions (continued)

The shareholders registered in the shareholders' registry with the Central Depository on 4 November 2025 had the right to receive a gross dividend of RON 0.0122825494 per share, proportionally with their participation in the paid in share capital of the Fund. The payment started on 26 November 2025.

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 (Total of RON: 212,452,479). 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.

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.

(e) Allocation of the net accounting profit for the 2025 financial year

The profit recorded by Fondul for the financial year ended 31 December 2025 is subject to appropriation in accordance with the applicable legal and regulatory framework, the provisions of the Accounting Law, the regulations issued by the Financial Supervisory Authority, as well as the Articles of Association of Fondul.

The proposal regarding the allocation of the profit for the financial year 2025, including the amount to be distributed as dividends (if any), the allocation to statutory or other reserves, or the carry-forward of retained earnings, will be submitted for approval to the Ordinary General Shareholders' Meeting.

The detailed proposal of the Sole Director regarding the appropriation of the 2025 profit is presented in the supporting documentation prepared for the Annual General Shareholders' Meeting, which includes, inter alia, the convening notice, the Sole Directors Report, the draft resolutions and other explanatory materials made available to shareholders in accordance with applicable regulations.

17. Contingencies

On 31 December 2025, 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).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

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

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

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

On 18 September 2020, Bucharest Court of Appeal admitted the appeal of Ministry of Public Finance. The Fund filed the second appeal which was rejected by the High Court of Cassation and Justice on 1 April 2021.

The Fund has initiated legal actions against World Trade Center Bucharest SA and the Ministry of Finance for recovering the amounts, 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.

(ii) CN Aeroporturi Bucuresti SA share capital increase

Please see Note 5 – Financial assets and financial liabilities, section CN Aeroporturi Bucuresti SA - Share capital increase litigation for information regarding this litigation.

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

	Year ended 31 December 2025	Year ended 31 December 2024
BON gross remunerations, out of which:	1,383,643	1,635,488
Contributions to social security fund retained from gross remuneration	212,257	187,074
Contributions to health insurance fund retained from gross remuneration	84,912	74,837
Income tax	108,656	137,369
Net remunerations paid to BON members	977,818	1,236,208

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

There were no loans between the Fund and the members of the Board of Nominees neither in 2025 nor in 2024. There are no post-employment, long term or termination benefits related to the remuneration of the members of the Board of Nominees.

During the 21 November 2025 OGSM, the shareholders approved the appointment of Mrs. Bago Kristine-Monica as an independent member of the Audit and Valuation Committee. Mrs. Bago is not a member of the Board of Nominees however her remuneration follows the same principles as for Board members, meaning that her services are contracted through a similar mandate agreement. Mrs. Bago serves as Chairperson of the Audit and Valuation Committee.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

18. Related parties (continued)**(a) Key management (continued)***(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:

Transactions	Year ended 31 December 2025	Year ended 31 December 2024
Administration fees	21,688,505	23,364,959

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

Transactions	Year ended 31 December 2025	Year ended 31 December 2024
Rent expense charged to the Fund	92,784	88,762
Operating cost charged to the Fund	34,953	30,209
	127,736	118,971

During the year ended 31 December 2025, the Fund recorded RON 386,818 (31 December 2024: RON 470,920) representing expenses incurred by FTIS Bucharest Branch on its behalf.

These expenses were primarily related to expenses in the interest of protecting and promoting the image of the Fund and its securities (investor relations) and also to annual subscriptions for software programmes used by the BON in the interest of the Fund and website maintenance fees. 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:	31 December 2025	31 December 2024
FTIS Luxembourg	5,648,843	3,450,577
FTIS Bucharest Branch	315,089	37,897
	5,963,932	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 31 December 2025 and 31 December 2024:

Ownership interest	31 December 2025	31 December 2024
Zirom SA	100%	100%
Alcom SA	72%	72%

On 9 December 2024, Zirom SA registered at the National Trade Registry a share capital decrease from RON 60,000,000 to RON 9,600,000 by decreasing the nominal value per share from RON 10 to RON 1.6.

As at 31 December 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.

Gross dividend income	Year ended 31 December 2025	Year ended 31 December 2024
Alcom SA	229,236	517,652

At 31 December 2025 and 31 December 2024 there were no dividends receivable from the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

(all amounts are in RON unless otherwise stated)

18. Related parties (continued)**(c) Associates**

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

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

Gross dividend income	Year ended 31 December 2025	Year ended 31 December 2024
Societatea Nationala a Sarii SA	51,977,438	63,728,624

At 31 December 2025 and 31 December 2024 there were no dividends receivable from the associates.

19. Subsequent events**Second selection process**

on 23 January 2026, the Fund received from the Board of Nominees, a request to publish the announcement regarding the Launch of the selection process for the Alternative Investment Fund Manager and Sole Director of Fondul Proprietatea.

On 12 March 2026, the Fund announced that all interested AIFM's that want to participate in the new selection process would have until 15 March 2026 to submit letters of intent to the Board of Nominees.

26 February 2026 GSM Resolutions

During the GSM held on 26 February 2026, the shareholders approved the appointment of Franklin Templeton International Services S.à r.l. for a duration of one (1) year starting from 1 April 2026 until 1 April 2027, but not exceeding the date on which a new AIFM is appointed as a result of the finalisation of the selection process for the appointment of a new alternative investment fund manager. The new mandate agreement has been executed and submitted to the Trade Registry.

CN Aeroporturi Bucuresti SA minority stake repurchase

On 9 January 2026, CN Aeroporturi Bucuresti SA's EGM approved, with majority of votes (80%), the proposals regarding the approval of the intention to repurchase the minority stake held by Fondul Proprietatea SA in CNAB. Please see note 5 - Financial assets and financial liabilities for more information.

Market volatility due to macroeconomic situation

Please see Note 4 - Risk Management - (e) Operating environment for more information.

Conpet SA litigation

On 25 March 2026, The High Court of Cassation and Justice, Second Civil Section, rejected as unfounded the appeal filed by the appellant Conpet SA against decision no. 67/26.02.2025, pronounced by the Ploiești Court of Appeal in court case 2432/1/2025 which means that the decision remains as final. As such, Conpet SA is obliged to pay to Fondul Proprietatea S.A. both the value of the dividends and the related legal interest, calculated starting with 25 April 2007 and until the date of actual payment. As per the Funds calculation, the total estimated amount to be received is approximately RON 2 million made out of the due dividend amount, legal interest and court costs. At the authorization date of these financial statements, the Fund is currently analysing the Court's decision and is preparing the next required steps in order to to implement the decision.

Annex 2 Statement of Assets and Obligations of Fondul Proprietatea SA as at 31 December 2025, prepared in accordance with FSA Regulation nr. 7/2020 (Annex no. 11)

	Item	31 December 2024			31 December 2025			Differences		
		% of the net asset	% of the total asset	Currency	Total RON	% of the net asset	% of the total asset	Currency	RON	RON
I.	Total assets	112.9347%	100.0000%		2,541,078,143.26	111.1518%	100.0000%		2,603,680,179.55	62,602,036.29
1	Securities and money market instruments, out of which:	5.4627%	4.8369%		122,912,010.57	5.2913%	4.7606%		123,948,662.46	1,036,651.89
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	5.2913%	4.7606%		123,948,662.46	1,036,651.89
	1.1.1 listed shares traded in the last 30 trading days	5.0088%	4.4350%		112,698,738.78	4.6769%	4.2077%		109,555,281.13	(3,143,457.65)
	1.1.2 listed shares not traded in the last 30 trading days	0.4539%	0.4019%		10,213,271.79	0.6144%	0.5529%		14,393,381.33	4,180,109.54
	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	88.7160%	79.8152%		2,078,133,372.87	219,385,193.46
	- shares not admitted at trading	82.6095%	73.1480%		1,858,748,179.41	88.7160%	79.8152%		2,078,133,372.87	219,385,193.46
	- redeemed debentures	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	- unlisted bonds	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	- allotment rights not admitted at trading	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	- rights not admitted at trading	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-

	Item	31 December 2024				31 December 2025				Differences
		% of the net asset	% of the total asset	Currency	Total RON	% of the net asset	% of the total asset	Currency	RON	RON
	- 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	6.3653%	5.7267%		149,105,050.32	(124,642,670.45)
4.1	bank deposits made with credit institutions from Romania	12.1664%	10.7730%		273,747,720.77	6.3653%	5.7267%		149,105,050.32	(124,642,670.45)
	- in RON	12.1664%	10.7730%		273,747,720.77	6.3653%	5.7267%		149,105,050.32	(124,642,670.45)
4.2	bank deposits made with credit institutions from an EU state	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
4.3	Bank deposits made with credit institutions from a non-EU state	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
5	Derivatives financial instruments traded on a regulated market, out of which:	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
5.1	derivatives financial instruments traded within a trading place from Romania (forward, futures and options, swaps, etc.)	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
5.2	derivatives financial instruments traded on a regulated market from a EU state (forward, futures and options, swaps, etc.)	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
5.3	derivatives financial instruments traded on an exchange from a non-EU state (forward, futures and options, swaps, etc.)	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
5.4	derivatives financial instruments traded outside 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	10.6207%	9.5552%		248,783,928.32	(35,885,446.16)
	- in RON	12.6438%	11.1956%		284,487,765.93	10.6183%	9.5531%		248,727,625.07	(35,760,140.86)
	- in EUR	0.0002%	0.0001%	EUR 709.14	3,527.33	0.0001%	0.0001%	EUR 618.26	3,152.20	(375.13)
	- in GBP	0.0001%	0.0001%	GBP 281.84	1,689.66	0.0000%	0.0000%	GBP 75.12	438.21	(1,251.45)
	- in USD	0.0078%	0.0069%	USD 36,926.72	176,391.56	0.0023%	0.0020%	USD 12,141.06	52,712.84	(123,678.72)
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, out of which::	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%		-	0.0000%	0.0000%		-	-
9	Dividends or other receivable rights	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	- in RON	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
	- in EUR	0.0000%	0.0000%	EUR -	-	0.0000%	0.0000%	EUR -	-	-
	- in USD	0.0000%	0.0000%	USD -	-	0.0000%	0.0000%	USD -	-	-
10	Other assets out of which:	0.0442%	0.0394%		1,000,858.03	0.1585%	0.1423%		3,709,165.58	2,708,307.55
	- 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%	0.1342%		3,495,244.30	2,708,999.81
	- in RON	0.0349%	0.0309%		786,244.49	0.1487%	0.1338%		3,483,110.62	2,696,866.13
	- in EUR	0.0000%	0.0000%	EUR -	-	0.0000%	0.0000%	EUR -	-	-
	- in GBP	0.0000%	0.0000%	GBP -	-	0.0005%	0.0005%	GBP 2,080.00	12,133.68	12,133.68
	- prepaid expenses	0.0078%	0.0071%		179,801.10	0.0093%	0.0081%		213,921.28	34,120.18

	Item	31 December 2024				31 December 2025				Differences
		% of the net asset	% of the total asset	Currency	Total RON	% of the net asset	% of the total asset	Currency	RON	RON
II	Total liabilities	12.9347%	11.4533%		291,036,694.76	11.1518%	10.0330%		261,226,418.85	(29,810,275.91)
1	Liabilities in relation with the payments of fees due to the A.F.I.A.	0.1550%	0.1373%		3,488,474.19	0.2546%	0.2291%		5,963,931.75	2,475,457.56
	- in RON	0.0017%	0.0015%		37,896.91	0.0135%	0.0121%		315,089.03	277,192.12
	- in EUR	0.1534%	0.1358%	EUR	693,708.87	0.2412%	0.2170%	EUR	1,107,942.08	2,198,265.44
2	Liabilities related to the fees payable to the depositary bank	0.0002%	0.0002%		4,547.69	0.0002%	0.0002%		4,492.84	(54.85)
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	0.0067%	0.0060%		157,327.78	(7,885.40)
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	10.8903%	9.7977%		255,100,666.48	(32,277,793.22)
	- 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	10.6287%	9.5623%		248,971,672.23	(35,488,960.22)
	- 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	0.0016%	0.0014%		37,694.00	(2,416.00)
	- VAT payable to State Budget	0.0042%	0.0037%		94,727.35	0.0000%	0.0000%		-	(94,727.35)
	- tax on dividends payable to State Budget	0.0434%	0.0384%		976,505.00	0.1635%	0.1471%		3,830,530.00	2,854,025.00
	- other liabilities out of which:	0.0803%	0.0711%		1,806,484.90	0.0965%	0.0869%		2,260,770.25	454,285.35
	- in RON	0.0731%	0.0648%		1,645,366.59	0.0965%	0.0869%		2,260,770.25	615,403.66
	- in EUR	0.0000%	0.0000%	EUR	-	0.0000%	0.0000%	EUR	-	-
	- in USD	0.0000%	0.0000%	USD	-	0.0000%	0.0000%	USD	-	-
	- in GBP	0.0072%	0.0063%	GBP	26,875.00	0.0000%	0.0000%	GBP	-	(161,118.31)
10	Payables related to buybacks under settlement	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
11	Other liabilities	0.0000%	0.0000%		-	0.0000%	0.0000%		-	-
III	Net Asset Value (I - II)	100.0000%	88.5467%		2,250,041,448.50	100.0000%	89.9670%		2,342,453,760.70	92,412,312.20

Unitary Net Asset Value

Item	31 December 2025	31 December 2024	Differences
Net Asset Value	2,342,453,760.70	2,250,041,448.50	92,412,312.20
Number of outstanding shares, out of which:			
Individuals	2,948,687,179	3,200,784,516	(252,097,337)
Companies	1,728,200,863	1,985,822,429	(257,621,566)
Unitary net asset value	0.7944	0.7029	0.0915
Number of shareholders, out of which:			
Individuals	21,657	22,964	(1,307)
Companies	21,329	22,422	(1,093)
	328	380	(52)

DETAILED STATEMENT OF INVESTMENTS AS AT 31 DECEMBER 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-Dec-25	72,884,714	0.5	1.4950	108,962,647.43	10.21%	4.1849%	4.6516%	Closing Price
IOR SA	IORB	30-Dec-25	2,622,273	0.1	0.2260	592,633.70	0.36%	0.0228%	0.0253%	Reference price (Closing Price)
Total						109,555,281.13		4.2077%	4.6769%	

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	134.9712	12,046,044.63	71.89%	0.4627%	0.5142%	Value based on the valuation report as at 31 October 2025 (applying the income approach using the discounted cash flow method)
MECON SA	MECP	14-May-25	60,054	11.6	39.0871	2,347,336.70	12.51%	0.0902%	0.1002%	Value based on the valuation report as at 30 June 2025 (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						14,393,381.33		0.5529%	0.6144%	

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

5. Amounts being settled for money market instruments admitted or traded on a regulated market in Romania

Not the case

6. Money market instruments traded or listed within a trading place from other EU member state

Not the case

7. Amounts under settlement related to money market instruments admitted or traded on a regulated market in another EU Member State

Not the case

8. Money market instruments traded or listed on an exchange from a non-member state of EU

Not the case

9. Newly issued securities

9.1. Newly issued shares

Not the case

9.2. Newly issued bonds

Not the case

9.3. Preferential rights (after registration with the Central Depository, prior to admission to trading)

Not the case

10. Other securities and money market instruments

10.1 Other securities

10.1.1. 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%	0.0880%	0.0978%	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	173.3508	5,549,999.21	20.00%	0.2132%	0.2369%	Unlisted companies, in function	Value based on the valuation report as at 31 August 2025 (applying the income approach using the discounted cash flow method)
CN Administratia Canalelor Navigabile SA	203,160	10	70.0245	14,226,177.42	20.00%	0.5464%	0.6073%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2025 (applying the income approach using the discounted cash flow method)
CN Administratia Porturilor Dunarii Fluviale SA	27,554	10	176.516	4,863,721.86	20.00%	0.1868%	0.2076%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2025 (applying the income approach using the discounted cash flow method)
CN Administratia Porturilor Dunarii Maritime SA	21,237	10	213.6501	4,537,287.17	20.00%	0.1743%	0.1937%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2025 (applying the income approach using the discounted cash flow method)
CN Administratia Porturilor Maritime SA	6,466,226	10	55.9213	361,599,764.01	19.99%	13.8880%	15.4368%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2025 (applying the income approach using the discounted cash flow method)
CN Aeroporturi Bucuresti SA	2,875,443	10	475.2311	1,366,499,939.88	20.00%	52.4834%	58.3363%	Unlisted companies, in function	Value based on the valuation report as at 31 October 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 a net asset	Company status	Valuation method
Complexul Energetic Oltenia SA	5,314,279	10	0	0.00	11.81%	0.0000%	0.0000%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2025 (applying the income approach using the discounted cash flow method)
Plafar SA	132,784	10	23.6125	3,135,362.20	48.99%	0.1204%	0.1338%	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	1.7548	26,097,292.60	6.48%	1.0023%	1.1141%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2025 (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%	Insolvency	Priced at zero
Societatea Nationala a Sarii SA	2,011,456	10	129.2099	259,900,028.61	48.99%	9.9820%	11.0952%	Unlisted companies, in function	Value based on the valuation report as at 31 October 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	4.9053	29,431,800.00	100.00%	1.1304%	1.2565%	Unlisted companies, in function	Value based on the valuation report as at 31 October 2025 (applying the income approach using the discounted cash flow method)
Total				2,078,133,372.87		79.8152%	88.7160%		

10.1.2. Shares traded under systems other than regulated markets

Not the case

10.1.3. 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%

10.1.4. Bonds not admitted to trading

Not the case

10.1.5. Amounts being settled for shares traded on systems other than regulated markets

Not the case

10.2. Other money market instruments mentioned in art. 83 paragraph (1) letter a) of the O.U.G. no. 32/2012

Not the case

10.3 Commercial papers

Not the case

11. Available cash in the current accounts and petty cash

11.1. 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*	249,404,300.68	9.5789%	10.6471%
BRD Groupe Societe Generale - amounts under settlement**	(721,471.62)	(0.0277%)	(0.0308%)
Banca Comerciala Romana	38,164.41	0.0015%	0.0016%
CITI Bank	1,966.84	0.0001%	0.0001%
ING BANK	1,634.51	0.0001%	0.0001%
Raiffeisen Bank	1,543.34	0.0001%	0.0001%
Unicredit Tiriac Bank	1,486.91	0.0001%	0.0001%
Total	248,727,625.07	9.5531%	10.6183%

*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 31 December 2025

11.2. 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	618.26	5.0985	3,152.20	0.0001%	0.0001%
BRD Groupe Societe Generale	GBP	75.12	5.8335	438.21	0.0000%	0.0000%
BRD Groupe Societe Generale	USD	12,141.06	4.3417	52,712.84	0.0020%	0.0023%
Total				56,303.25	0.0021%	0.0024%

12. 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
CITI Bank	12-Dec-25	05-Jan-26	36,600,000.00	5,540.84	110,816.67	36,710,816.67	1.4100%	1.5672%	Bank deposit value cumulated with the daily related interest for the period from starting date
ING BANK	18-Dec-25	12-Feb-26	26,000,000.00	3,972.22	55,611.11	26,055,611.11	1.0007%	1.1123%	
Raiffeisen Bank	23-Dec-25	13-Jan-26	36,500,000.00	5,525.69	49,731.25	36,549,731.25	1.4038%	1.5603%	
Banca Comerciala Romana	30-Dec-25	08-Jan-26	26,800,000.00	3,871.11	7,742.22	26,807,742.22	1.0296%	1.1444%	
BRD Groupe Societe Generale	31-Dec-25	05-Jan-26	22,978,334.22	2,814.85	2,814.85	22,981,149.07	0.8826%	0.9811%	
Total			148,878,334.22		226,716.10	149,105,050.32	5.7267%	6.3653%	

13. Derivative financial instruments traded on a regulated market

13.1. Future contracts

Not the case

13.2. Options

Not the case

13.3. Amounts under settlement for derivative financial instruments traded on a regulated market

Not the case

14. Derivative financial instruments traded outside of the regulated markets

14.1. Forward contract

Not the case

14.2. Swap contract

Not the case

14.3. Contracts for differences

Not the case

14.4. 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

15. Money market instruments, other than those traded on a regulated market, according with art. 35 paragraph (1) letter g) of Law 243/2019

Not the case

16. Treasury bills

Not the case

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

17.1. Participation titles denominated in RON

Not the case

17.2. Participation titles denominated in foreign currency

Not the case

17.3. Amounts under settlement regarding participation titles denominated in RON

Not the case

17.4. Amounts under settlement regarding participation titles denominated in foreign currency

Not the case

18. Dividends or other receivable rights

18.1. Dividends receivable

Not the case

18.2. Shares distributed without cash consideration

Not the case

18.3. Shares distributed with cash consideration

Not the case

18.4. The amount to be paid for shares distributed in exchange of cash consideration

Not the case

18.5. Preference rights (before admission to trading and after the trading period)s

Not the case

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

Item	31 December 2023	31 December 2024	31 December 2025
Net Asset	2,350,138,487.51	2,250,041,448.50	2,342,453,760.70
NAV/share	0.6608	0.7029	0.7944

Leverage of Fondul Proprietatea

Method type	Leverage level	Exposure amount
a) Gross method	94.01%	2,202,138,338.58
b) Commitment method	100.00%	2,342,453,760.70

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 Accounting Law no. 82/1991, art.30, Law no. 24/2017, art. 65(2)(c) and FSA Regulation no. 5/2018, art.223, par. A (1)(c)

The annual financial statements for the financial year **31 December 2025** prepared for:

Entity: Fondul Proprietatea SA

Address: Bucharest, District 1, 76–80, Buzesti Street, 7th Floor

Trade Registry Number: J2005021901408/28.12.2005

Form of property: 22 (joint ownership with public capital under 50%, domestic and foreign public and private capital companies)

NACE code and name: 6431 - Activities of money market investment funds and non-money market investment funds

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 Catalin Cadaru, Fund Administration and Oversight Senior Manager, undertake the responsibility for the preparation of the annual financial statements as at 31 December 2025 and confirm that:

- a) the annual financial statements are in compliance with the applicable accounting regulations;
- b) the annual financial statements give a true and fair view of the assets, liabilities, financial position, profit or loss and performance and of other information regarding the business conducted;
- c) the company is conducting its business on a going concern basis;
- d) the Annual Sole Director's Report of Franklin Templeton International Services S.à r.l regarding the management and administration of Fondul Proprietatea SA for the year 2025, includes an accurate overview of the developments and performance of Fondul Proprietatea SA, as well as a description of the main risks and uncertainties related to the business.

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

Annex 4 Corporate Governance Code of Bucharest Stock Exchange - Comply or Explain Statement

Compliance with the provisions of the Corporate Governance Code issued by the Bucharest Stock Exchange ("BVB")

Note: The corporate governance structure of Fondul Proprietatea SA (the "Fund") differs from that of companies organised under a unitary or two-tier system. The Fund is managed by an Alternative Investment Fund Manager ("AIFM"), and its activity is carried out under the supervision of the Board of Nominees ("BoN"). The role and responsibilities of the BoN are set out in the Constitutive Act of Fondul Proprietatea SA and its members are appointed by the Fund's General Shareholders Meeting ("GSM"). Given the Fund's specific corporate governance structure, certain provisions of the BVB Corporate Governance Code are not fully applicable to the Fund.

References to the "Board" in section A refer to the Fund's Board of Nominees.

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
A: GOVERNING BODIES	A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full scope of its roles and responsibilities.	A.1., 1	The Board should have an internal regulation that formalises and clearly states its roles and responsibilities. The articles of association, Board's internal regulation and other internal regulations should clearly delineate the roles and competencies among the Board, general meeting of shareholders (GSM) and executive management.	x			
A: GOVERNING BODIES	A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full scope of its roles and responsibilities.	A.1., 2	Board's internal regulation should include, among others, the Board's responsibilities as well as fiduciary duties of directors to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company, its shareholders and taking into account the interests of other stakeholders in line with legal requirements.	x			

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
A: GOVERNING BODIES	A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full scope of its roles and responsibilities.	A.1., 3	To sustain the Company's long-term viability and success, the Board should: <ul style="list-style-type: none"> · Oversee the development and approve the Company's strategy and ensure that it also integrates sustainability aspects, including environmental and social (E&S) considerations and climate-related risks and opportunities; · Appoint and dismiss CEO and other executives to whom executive management responsibilities were delegated (called executive management) and ensure their succession planning; · Oversee the management performance, management role in addressing material sustainability risks and opportunities and align the remuneration of executive management with the long-term interests and sustainability of the Company, according to the provisions of the Company's remuneration policy; · Ensure there is a sound framework for internal controls and risk management; · Ensure that the Company has in place procedures to enable effective communication with shareholders and other stakeholders. 	X			The management of Fondul Proprietatea is carried out by the AIFM, which performs all acts necessary and useful for achieving the company's object of activity, except for those that, according to the law and the constitutive act, fall within the competence of the General Meeting of Shareholders or the Board of Nominees. The AIFM is responsible for implementing the investment policy and for ensuring an appropriate balance between the profits and risks associated with Fondul Proprietatea's portfolio. As such, the following provisions of the Code cannot be applicable entirely to the Board of Nominees of Fondul Proprietatea: (i) Overseeing the development and approve the Company's strategy and ensure that it also integrates sustainability aspects, including environmental and social (E&S) considerations and climate-related risks and opportunities; (ii) Appointment and dismissal of the CEO and other executives to whom executive management responsibilities were delegated (called executive management) and ensure their succession planning; (iii) Overseeing the management performance, management role in addressing material sustainability risks and opportunities and align the remuneration of executive management with the long-term interests and sustainability of the Company, according to the provisions of the Company's remuneration policy;
A: GOVERNING BODIES	A.1. The Board should ensure the Company's long-term success and sustainability for the best interest of the Company and its shareholders and taking into account the interests of other stakeholders. The Board should clearly define and disclose the full scope of its roles and responsibilities.	A.1., 4	Duration of appointment of Board and executive management should be set clearly and should, to the extent possible, foster stability and predictability.	x			
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2., 1	The Board should have at least five members.	x			

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2., 2	The Board should have in place a policy on Board and executive management diversity and should ensure that diversity requirements in terms of gender, age, experiences and skills are incorporated in the Nomination Policy.	x			
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2., 3	The Board should develop a Board profile which specifies the desired characteristics and traits of its members including factors such as independence, diversity, integrity, specific skills and experience, industry knowledge, ability and willingness to devote adequate time and effort to Board responsibilities in the context of the needs of the Board and its committees and their exercise of the Board's strategic and oversight roles. The Board profile can be part of the Nomination Policy.	x			
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2., 4	The majority of the members of the Board should be non-executives. At least a third of the Board members should be independent. Each independent member of the Board should submit a declaration regarding his/her independence at the time of his/her nomination for election or re-election as well as when any change in his/her status arises, as per the criteria of independence defined in law and in Appendix A to the Code.	x			
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2., 5	The Nomination and Remuneration Committee (or the entire Board if there is no Nomination and Remuneration Committee) should assess whether the directors can be considered independent under the factors taken into account, by examining whether there are any business or other personal relationships that could materially affect the independence and objectivity of the director and his/her ability to act in the best interests of the Company, its shareholders and stakeholders.	x			
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2., 6	The positions of Chairperson and Chief Executive Officer (CEO) are recommended to be held by different individuals.				N/A. The Fund does not have a Board of Directors operating under a unitary system and is not managed by a Chief Executive Officer, as it is administered by an Alternative Investment Fund Manager (AIFM). Within the Fund's governance structure, there is no position of Chief Executive Officer to whom management powers are delegated by a Board of Directors in accordance with the provisions of Law no. 31/1990 on companies.

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
A: GOVERNING BODIES	A.2. The Board should have an appropriate balance of skills, experience, gender diversity, knowledge and independence to enable it to effectively perform its duties and responsibilities.	A.2., 7	If the Chairperson and CEO functions are performed by the same person, it is recommended that the Board appoints an independent Vice-Chairperson.				N/A. The provision is not applicable to Fondul Proprietatea. The Fund does not have a Board of Directors operating under a unitary system and is not managed by a Chief Executive Officer, as it is administered by an Alternative Investment Fund Manager (AIFM). Consequently, the provision regarding the separation of the roles of Chairman of the Board and Chief Executive Officer does not apply to the Fund's governance model.
A: GOVERNING BODIES	A.3. The Board should ensure that a formal, rigorous and transparent procedure is put into place regarding the nomination of new members to the Board.	A.3., 1	The Company should develop and disclose a board nomination policy that should define the processes and procedures for the nomination, election or replacement of a director. The Nomination Policy, approved by the competent governance body, shall describe how the Company receives and evaluates nominations from shareholders (including minority shareholders) or from members of the Board, including in relation to the board profile, independence and diversity.	X			
A: GOVERNING BODIES	A.3. The Board should ensure that a formal, rigorous and transparent procedure is put into place regarding the nomination of new members to the Board.	A.3., 2	The Board, through its Nomination and Remuneration Committee, if established, should monitor the nomination process of candidates for the position of Board member.	X			
A: GOVERNING BODIES	A.3. The Board should ensure that a formal, rigorous and transparent procedure is put into place regarding the nomination of new members to the Board.	A.3., 3	The Company should disclose to shareholders information on the experiences and CV of the director candidates that they require to make an informed decision on the appointment or reappointment of the directors including the following: <ul style="list-style-type: none"> · candidates' professional commitments and engagements, including executive and non-executive positions in companies, public authorities, not-for-profit bodies or other organisations; · any existing or potential conflicts of interest including whether they have business, family or other relationships that could affect their performance as directors on the Board; · which shareholder or member of the Board proposed each candidate for the Board positions. 	x			

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4., 1	The Board shall establish an Audit Committee to enhance its oversight capability over the financial reporting, internal control framework, internal and external audit processes, and compliance with applicable laws and regulations. Where a separate risk management committee is not required by law or already established, the Audit Committee will also include oversight responsibilities for the efficiency of the risk management framework.	x			The Audit and Valuation Committee of the Fund also has oversight responsibilities in the area of risk management.
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4., 2	The Audit Committee is recommended to be composed of non-executive directors. The majority of the Committee members is recommended to be independent, including the Committee chairperson. The Audit Committee, as a whole, should have competencies relevant to the Company's area of operations. The Committee and its members should comply with the applicable national and European legislation.	x			
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4., 3	The Boards of Premium Tier companies should set up a Nomination and Remuneration Committee formed of non-executive directors. The majority of the Committee members is recommended to be independent, including the Committee chairperson. The Board may also establish a separate Nomination Committee and a separate Remuneration Committee if the Board composition accommodates it and if this is justified given the Company's size and complexity of its business and governance structures.	x			

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4., 4	In addition to its specific responsibilities as provided under this Code, the Nomination and Remuneration Committee should: i. Review and recommend to the Board the size and composition of the Board and lead the development and ongoing review of the Board profile; ii. Identify individuals qualified to become Board members and members of the executive management, if requested; evaluate the candidates for executive management roles; evaluate the candidates proposed by the shareholders or by Board members for a director role and inform the GMS accordingly; iii. Make recommendations to the Board concerning committee appointments (other than the Nomination and Remuneration Committee); iv. Coordinate an annual evaluation of the Board, directors and committees in line with provisions set out in Principle A.5.; v. Assist the Board in fulfilling its responsibilities related to the Company's remuneration policy; vi. Assist the Board in the development of the succession plans for executive management, as well as the emergency succession plans and CEO search process, as required; vii. Oversee the administration of the Company's compensation and benefits plans.	X			
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4., 5	The role and responsibilities of Board committees should be defined in separate internal regulation (operating regulations) and disclosed on the Company's website. If the Company chooses not to establish any of the Board committees not required by law, the corresponding tasks and responsibilities shall be done by the Board and should be adequately stated in the Board's internal regulation.	X			
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4., 6	The evaluation of independence for the members of the committees, including when the members of the committees are appointed by the GMS, shall be carried out according to the same procedure applicable to the independent members of the Board.	X			

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
A: GOVERNING BODIES	A.4. The Board should establish committees which should assist the Board in the performance of its key responsibilities, dealing with strategic challenges and in managing sensitive issues with high potential for conflicts of interest.	A.4., 7	The chairpersons of the Audit Committee and Nomination and Remuneration Committee should not be the Chairperson of the Board or of any other committee, unless this is justified by the size of the Board.	x			
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 1	The Board Chairperson is primarily responsible for ensuring that the Board functions properly. The Board's internal regulation should contain the role and responsibilities of the Board Chairperson and the Board Chairperson, at a minimum, should: <ul style="list-style-type: none"> • Determine the agenda of the Board meetings, chair such meetings and ensure that minutes are kept of such meetings; • Ensure the Board receives accurate, timely, useful, succinct information to enable the Board to make sound decisions; • Ensure the Board has sufficient time for consultation and decision-making; • Enable the Committees to function properly and that there is effective communication with Board committees, including actionable, insightful reports of committees back to the full Board; • Ensure the performance of the Board is evaluated and discussed at least once a year and disclosed as per provision D.1.3; • Ensure that the Board has proper working relationship with the executive management. The CEO and the Chairman of the Board (if positions are held by different individuals) shall meet regularly; • Address and manage internal disputes and conflicts of interest concerning Board members. 	x			
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 2	The Board should meet as often as necessary but not less than six (6) times a year.	x			

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 3	The Board can request to designate the Corporate Secretary who should assist the Board in complying with its obligations under law, Board internal regulation and other policies. The Corporate Secretary should be a senior officer in the Company tasked with assisting the Board and its committees in organising their activities, in preparing for the meetings, annual Board and committee performance evaluation and director training programs, if the case.	X			
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 4	The Board should clearly define the rights and responsibilities, scope of authority and other issues related to the Corporate Secretary.	X			
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 5	The Board and its committees should develop and approve an annual internal work plan identifying topics to address during the year before the end of the previous year. The plan should take into account decisions that need to be proposed to the GMS, reporting by management and internal control functions, the required frequency of Board and Committee meetings, and should be reviewed by the Chairperson, assisted by the Corporate Secretary.	x			The Sole Director considers that in its capacity as technical secretary up to November 2025 that the activity of the BoN was planned and organized according to the duties and applicable regulations (this does not include the selection process which was separately managed by the board). Therefore we consider that the provision of the BSE Corporate Governance Code was complied with.
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 6	The Board should conduct an annual evaluation of the composition, activity and dynamics of the Board and its committees, individually and as a whole, and which should be coordinated by the Nomination and the Remuneration Committee.				N/A for 2025 - The board structure was changed significantly in September 2025 with additional changes in the following period up to the authorization of the annual report.
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 7	The Nomination and Remuneration Committee should share the results of the Board evaluation with the whole Board and should then set follow up actions, if any, including professional development and training plans for the Board to fill gaps.				N/A for 2025- The board structure was changed significantly in September 2025 with additional changes in the following period up to the authorization of the annual report.

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
A: GOVERNING BODIES	A.5. The Board should set up robust Board operating procedures as well as Board evaluation and continuous development mechanisms to improve directors' skills and their ability to effectively deliver their responsibilities.	A.5., 8	The Board's internal regulation should require Company orientation (induction) programmes for newly appointed directors, ensured by internal staff of the Company. The Board's internal regulation can also include references for ongoing director education program, if needed. The implementation of any orientation and ongoing trainings programmes for directors (as per the Board decision) is made under the oversight of the Nomination and Remuneration Committee, with the support of the Corporate Secretary. Based on the results of the annual board evaluation, the Nomination and Remuneration Committee jointly with the Board Chairperson shall develop professional development programmes focusing on the areas where capacity should be built among Board members.	X			
A: GOVERNING BODIES	A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.	A.6., 1	Executive management should run the Company and be accountable to the Board. Division of responsibilities between the Board and the executive management and between different members of the executive management should be clearly articulated in the Company's by-laws and the internal regulations of the Company.	x			
A: GOVERNING BODIES	A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.	A.6., 2	When Board Chairperson and CEO roles are exercised by one individual, the different responsibilities of the Board Chairperson and CEO should be clearly defined and distinguished in the Company by-laws.				N/A. Given the Fund's governance structure, there is no position of Chief Executive Officer at Fondul Proprietatea S.A.

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
A: GOVERNING BODIES	A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.	A.6., 3	The Board should ensure that the executive management is comprised of persons with adequate knowledge, skills, diversity and experience to support successful Company performance and that there are measures in place to provide for the orderly succession of executive management.				N/A. Given the Fund's governance structure, under which the management is carried out by the AIFM, this provision of the Code is not applicable.
A: GOVERNING BODIES	A.6. Executive management is responsible for day-to-day management of the Company. The Board should ensure that the executive management is capable of effectively running the Company and that its composition, competence, roles and management incentives support the successful implementation of Company's strategy and plans.	A.6., 4	The Board, with the support of the Nomination and Remuneration Committee, should annually evaluate executive management's performance, the effectiveness of its cooperation with the Board, including the information provided to the Board.	x			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.	B.1., 1	The Board determines the nature and extent of the risks the Company is willing to take necessary for the achievement of Company's strategic objectives (i.e., the Company's risk appetite) and should ensure there are clear structures, policies and procedures in place that identify, evaluate, report, manage and monitor significant and emerging risks, including risks related to sustainability, cybersecurity and the use of digital technologies. The Board should explain in the annual report the mechanisms and processes in place to identify and manage risks.	x			The risk management function is carried out by the Fund's AIFM. At the level of the AIFM, there are internal procedures and policies in place regarding risk identification, management and monitoring.

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
B: RISK MANAGEME NT AND INTERNAL CONTROL FRAMEWOR K	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.	B.1., 2	The Board should adopt a formal risk management policy, to ensure accurate, complete and timely identification, measurement and reporting of risks, adequate and feasible risk control measures as well as integration of an E&S risks into the risk management framework in support of the Company's strategy implementation.	x			The risk management function is carried out by the AIFM of the Fund. At the level of the AIFM, there are internal procedures and policies in place regarding risk identification, management and monitoring.
B: RISK MANAGEME NT AND INTERNAL CONTROL FRAMEWOR K	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.	B.1., 3	The Board and Audit Committee should understand emerging information technology and artificial intelligence-related changes so to mitigate cybersecurity risks. Time should be given to the AI risks and opportunities and cybersecurity on Board agenda to ensure understanding of cyber protection.	x			
B: RISK MANAGEME NT AND INTERNAL CONTROL FRAMEWOR K	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.	B.1., 4	The Company is recommended to establish a risk management function responsible for ensuring accurate, complete and timely identification of the risks, ensuring that adequate and feasible risk control measures are in place and monitoring the risk management procedures. The risk management function, through the Chief Risk Officer (CRO), where present, should have a direct communication and functional reporting to the Board and Audit Committee (if there is no separate Risk Committee).	x			
B: RISK MANAGEME NT AND INTERNAL CONTROL FRAMEWOR K	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential	B.1., 5	The Board with the assistance from the Audit Committee should at least annually assess the adequacy and effectiveness of Company's risk management and internal control framework (including operational and compliance controls) and make relevant recommendations. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and compliance, internal control reports, if they are required by applicable legislation, to the Audit Committee, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and submission of relevant reports to the Board.	x			

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
	environmental and social impact of its activities.						
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.1. The Company should have an adequate and effective internal control framework and an enterprise risk management framework, taking into account its strategy, size, complexity of operations and risk profile including potential environmental and social impact of its activities.	B.1., 6	The Company should develop and make available on a free of charge basis on the Company's website a whistle-blowing mechanism which would enable employees and stakeholders to make reports about suspected breaches or wrongdoings as per the applicable legislation in place.	x			Link: https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/corporate-governance/Whistleblower%20Policy.pdf
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.	B.2., 1	In addition to its responsibilities mentioned in legislation and elsewhere in the Code, the Audit Committee should: <ul style="list-style-type: none"> · Review the Company's internal controls and risk management frameworks; · Oversee the development and application of the Company's policies on conflicts of interests and related party transactions; · Ensure independence and review the effectiveness of the Company's internal audit function and make a recommendation to the Board; · Oversee the internal audit function; · Oversee the preparation of sustainability-related reports and information included in them, unless this task is assigned to another committee; · Oversee the framework for ensuring the Company's compliance with applicable legal and regulatory requirements and internal regulations of the Company (like the procedures for reporting breaches of the law or the Company's Code of Conduct), unless this task is assigned to another committee. 	x			
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.	B.2., 2	Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by regular (at least annual) or ad-hoc reports to the Board.	x			

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
B: RISK MANAGEME NT AND INTERNAL CONTROL FRAMEWOR K	B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.	B.2., 3	The Audit Committee should monitor the independence and objectivity of the external auditor. The Committee should approve a policy on the provision of permitted non-audit services by the external auditor in line with legal requirements and enforce implementation of that policy. Committee's findings regarding the independence of the external auditor should be disclosed in the annual report.	x			
B: RISK MANAGEME NT AND INTERNAL CONTROL FRAMEWOR K	B.2. The Audit Committee should assist the Board with ensuring the integrity of financial and non-financial reporting, establishing an effective risk management and internal control framework and maintaining an appropriate relationship with the Company's external auditors.	B.2., 4	The Audit Committee should discuss the annual audit work plan with the external auditor covering the scope and materiality of the activities to be audited. The audit committee should meet the external auditor as needed to discuss issues identified and to monitor the quality of the services provided.	x			
B: RISK MANAGEME NT AND INTERNAL CONTROL FRAMEWOR K	B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.	B.3., 1	The Board should ensure that the internal audit has the authority, resources and procedures adequate to assist the Board in ensuring effectiveness and efficiency of the Company's risk management and internal control framework.	x			
B: RISK MANAGEME NT AND INTERNAL CONTROL FRAMEWOR K	B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.	B.3., 2	To ensure fulfillment of the core functions of the internal audit function, the head of the function should be appointed by and report functionally directly to the Board via the Audit Committee, who shall be tasked with approving his/her appointment and dismissal. This is without prejudice to administrative reporting to the CEO and sharing information with the Company's executive management, in line with legal requirements and professional standards.	x			The Fund does not have an internal audit function. The internal audit of the Fund is performed by an external entity, in accordance with all the relevant legal requirements and industry standards. The draft agreement and related remuneration of the internal auditor are reviewed in advance by the Audit and Valuation Committee of the Fund. Also, the internal audit plan and the related audit procedures as well as the resulting internal audit reports are presented and discussed each year by the internal auditor with the Audit and Valuation Committee.

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.	B.3., 3	The internal audit function should be established in line with applicable legal requirements and industry standards (e.g., Institute of Internal Auditors). The internal audit authority, composition, remuneration, annual budget, working procedures and other relevant matters shall be regulated in separate internal audit's internal regulation approved by the Board, following the recommendation of the Audit Committee.	x			The Fund does not have an internal audit function. The internal audit of the Fund is performed by an external entity, in accordance with all the relevant legal requirements and industry standards. The draft agreement and related remuneration of the internal auditor are reviewed in advance by the Audit and Valuation Committee of the Fund. Also, the internal audit plan and the related audit procedures as well as the resulting internal audit reports are presented and discussed each year by the internal auditor with the Audit and Valuation Committee.
B: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK	B.3. The Board should ensure the independence of the internal audit function. Company's internal audit function should provide independent and objective assurance on the effectiveness of risk management framework and internal control framework.	B.3., 4	The Audit Committee should agree an annual internal audit work plan with the internal auditor, receive internal audit reports, updates on key audit issues, monitor implementation of recommendations of the internal audit and provide necessary guidance.	x			The internal audit plan and the related audit procedures as well as the resulting internal audit reports are presented and discussed each year by the internal auditor with the Audit and Valuation Committee. The Sole Director and the internal auditor present to the Audit and Valuation Committee the implementation plan and status for each finding.
C: PERFORMANCE, MOTIVATION AND REWARD	C.1. Members of the Board shall receive remuneration corresponding to the volume and weight of powers and their responsibilities, rather than the performance of management or the Company. The structure and amount of director's remuneration should enable the Company to attract, retain and motivate the competent and qualified directors.	C.1., 1	Board members should receive remuneration, as per the Remuneration Policy of the Company. Members who also serve on Board committees should receive additional remuneration for this work. But in no circumstances should the remuneration be linked to the number of board or committee meetings.	x			

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
C: PERFORMA NCE, MOTIVATIO N AND REWARD	C.2. The Board shall ensure there is a formal and transparent policy and procedure for determining the remuneration of executive management that aligns with the long-term interests of the Company and the Company's strategy. This policy shall be presented, subject for approval, to the GMS in line with legal requirements.	C.2., 1	The Board should determine the annual remuneration of the executive management, based on the recommendations of the Nomination and Remuneration Committee and in accordance with the Company's remuneration policy. The remuneration policy should be prepared in accordance with the relevant legal requirements.				N/A. The remuneration of the AIFM of Fondul Proprietatea S.A. is approved by the General Meeting of Shareholders of Fondul Proprietatea S.A.
C: PERFORMA NCE, MOTIVATIO N AND REWARD	C.2. The Board shall ensure there is a formal and transparent policy and procedure for determining the remuneration of executive management that aligns with the long-term interests of the Company and the Company's strategy. This policy shall be presented, subject for approval, to the GMS in line with legal requirements.	C.2., 2	Levels of remuneration for executive management members and key performance indicators taken into account when determining variable (performance-based) part of the remuneration should be set in advance and be measurable and appropriate in relation to the agreed strategy and risk appetite, the economic environment within which the Company operates, and the pay and conditions of employees within the Company. In particular, they should include indicators related to non-financial performance and appropriate sustainability objectives.				N/A. The remuneration of the AIFM of Fondul Proprietatea S.A. is approved by the General Meeting of Shareholders of Fondul Proprietatea S.A.
C: PERFORMA NCE, MOTIVATIO N AND REWARD	C.2. The Board shall ensure there is a formal and transparent policy and procedure for determining the remuneration of executive management that aligns with the long-term interests of the Company and the Company's strategy. This policy shall be presented, subject for approval, to the GMS in line with legal requirements.	C.2., 3	Company's shares and/or share purchase options should represent a significant part (e.g., not less than 10%) of the executive management member's total variable remuneration.				N/A. The remuneration of the AIFM of Fondul Proprietatea S.A. is approved by the General Meeting of Shareholders of Fondul Proprietatea S.A.
D: DISCLOSUR E AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish	D.1., 1	The Company should make sure to provide accurate, complete and timely financial and operational information, including quarterly, half-yearly and annual reports, as well as current reports. Companies should ensure all relevant information is easily accessible to investors, including through the Company website and other public information sources, as the case may be.	x			All relevant information can be found here: https://www.fondulproprietatea.ro/home/investor-relations/rezultate-financiare.html

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
	adequate systems for financial and sustainability reporting.						
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 2	The Company is recommended to have an Investor Relations (IR) function and should appoint a dedicated person in charge of IR function. The contact details of the person or persons charged of the IR function shall be available on the Company's website. The IR function will report directly to the CEO/CFO, underscoring its significance within the Company's hierarchy and emphasizing its central role in managing and communicating the Company's capital market engagements and status. The Company should organise induction and regular training/courses, if needed, for the IR function, tailored to its specific needs and responsibilities.	x			Fondul Proprietatea has a dedicated Investor Relations function, with contact details publicly available on the Company's website: https://www.fondulproprietatea.ro/investor-relations
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The Company should include on its corporate website a dedicated Investor Relations section, with all relevant information of interest for investors, available both in Romanian and English.	x			Fondul Proprietatea's dedicated IR section can be found here: https://www.fondulproprietatea.ro/investor-relations
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The company should include on its Investor Relations section: • Main corporate regulations: updated articles of association, GMS procedures, board's internal regulation and board committees' internal regulations.	X			https://www.fondulproprietatea.ro/about-fund/fund-overview/corporate-governance
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The company should include on its Investor Relations section: • List of current members of the Board, Board's Committees and executive management, providing an up-to-date information on independence status , professional CVs (containing at least: name, surname, gender, nationality, age; work experience by year, position and Company; studies, field of study and academic or professional institution granting the diploma), other professional commitments, including executive and non-executive Board positions in companies, not-for-profit institutions and state institutions; relationship with shareholders holding at least 5% of the voting rights/shares issued by the Company; the duration of the appointment of the members of the Board, the Committees and the executive management, specifying the date from which they were appointed.	X			https://www.fondulproprietatea.ro/about-fund/fund-overview/board-nominees

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The company should include on its Investor Relations section: • Current reports and periodic reports (quarterly, semi-annual and annual reports).	x			All current reports issued by Fondul Proprietatea can be found here: https://www.fondulproprietatea.ro/home/investor-relations/investor-reports.html
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The company should include on its Investor Relations section: • Information related to GMS: the agenda, supporting materials and the decisions taken; procedure for running the GMS; the Nomination Policy; candidates' professional CVs (containing at least: name, surname, gender, nationality, age; work experience by year, position and Company; studies, field of study and academic or professional institution granting the diploma), as well as any other information presented at A.3.3; communication channel(s) for shareholders to address questions; answers to shareholders' questions related to the agenda; declarations of independence for board candidates and evaluations made by Nomination and Remuneration Committee/Board for candidates, including their compliance with independence criteria.	x			Fondul Proprietatea's website has a dedicated section, here: https://www.fondulproprietatea.ro/home/investor-relations/investor-reports.html and here: https://www.fondulproprietatea.ro/home/faqs.html
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The company should include on its Investor Relations section: • Information on Board evaluation, made as per Provision A.5.7, including evaluation criteria and process, as well as a summary result of the evaluation and actions that have been or will be undertaken as a result of the evaluation.				N/A - For 2025, no evaluation of the members of the Board of Nominees was carried out as since September 2025 significant changes in the composition of the Board of Nominees have occurred.
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The company should include on its Investor Relations section: • Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a time frame that enables investors to make investment decisions.	x			https://www.fondulproprietatea.ro/home/investor-relations/dividends-distributions.html
D: DISCLOSURE AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 3	The company should include on its Investor Relations section: • Corporate policies, among which code of conduct, dividend policy, remuneration policy, forecast policy, policy for communication with investors, the corporate social responsibility (CSR)/sponsorship policy, policy for related parties' transactions, policy for diversity, equity and inclusion, and whistleblowing policy (if not already part of the Code of Conduct).	x			https://www.fondulproprietatea.ro/about-fund/fund-overview/corporate-governance

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
D: DISCLOSUR E AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 4	The Company should organise at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the Company website at the time of the meetings/conference calls.	x			All information related to the conference calls with analysts and investors is available here: https://www.fondulproprietatea.ro/home/investor-relations/teleconferin-e-rela-ii-cu-invest.html
D: DISCLOSUR E AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 5	The Company should disclose the material and reportable non-financial and sustainability issues with emphasis on the disclosure of environmental, social and governance (ESG) issues of its business and operations in line with the recognized standard of sustainability reporting. The Company's sustainability statements shall be disclosed on its website.				N/A - the Fund is exempt from preparing sustainability reporting in accordance with Corporate Sustainability Reporting Directive and national legislation (Financial Supervisory Authority Norm no. 39/2015 as subsequently amended)
D: DISCLOSUR E AND INVESTOR RELATIONS	D.1. The Company should ensure adequate communications with shareholders, investors, regulators and other stakeholders and establish adequate systems for financial and sustainability reporting.	D.1., 6	The Company should have a CSR/sponsorship policy to guide the activity in the area of supporting CSR activities and sponsorship.	x			https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/corporate-governance/CSR%20and%20Sponsorship%20Policy.pdf
D: DISCLOSUR E AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2., 1	The Company should have a dividend policy as a set of directions the Company intends to follow regarding the distribution of net profit.	x			https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/corporate-governance/Annual%20Cash%20Distribution%20Policy%20updated%20as%20of%2018%20Dec%202023.pdf
D: DISCLOSUR E AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2., 2	The procedure for running the GMS should not restrict the participation of shareholders in GMS and the exercise of their rights. Amendments of the procedure for running the GMS should take effect, at the earliest, as of the next GMS.	x			Fondul Proprietatea publishes the most recent GSM Procedure in the dedicated section, here: https://www.fondulproprietatea.ro/home/investor-relations/gsm-information/gsm-documentation.html

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
D: DISCLOSUR E AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2., 3	The external auditors should attend the shareholders' meetings where their reports are presented, in order to respond to shareholders' questions.	x			The external auditors are invited to attend the shareholders' meetings at which their reports are presented, in order to address and respond to shareholders' questions.
D: DISCLOSUR E AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2., 4	The Board should present to the annual GMS a summary of the assessment of the adequacy and effectiveness of the risk management and internal control framework, as per the related information included in the annual report.	x			This information is presented to shareholders through the Performance Report and the Board of Nominees' Report, which are discussed during the annual General Shareholder Meeting.
D: DISCLOSUR E AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2., 5	The Company should stimulate engagement with shareholders and investors by: <ul style="list-style-type: none"> • Encouraging active shareholder participation in GMS, like ensuring conditions for virtual participation. • Holding regular briefings and updates for investors, especially during significant corporate events. • Establishing channels for shareholders to provide feedback and ask questions, ensuring responses are timely and comprehensive. 	x			Fondul Proprietatea actively and consistently stimulates engagement with its shareholders and investors through well-established and robust practices. The Company encourages active participation in General Shareholder Meetings by enabling online voting via the eVote system, maintains regular and proactive communication with investors through briefings and updates—particularly during significant corporate events—and operates dedicated channels for shareholder feedback and inquiries, ensuring responses are timely, transparent, and comprehensive.
D: DISCLOSUR E AND INVESTOR RELATIONS	D.2. The Company should ensure fair and equitable treatment of all its shareholders, as well as availability of all needed tools and information to allow shareholders to exercise their rights in relation to the Company.	D.2., 6	Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairperson of the Board. Accredited journalists may also participate in the GMS, unless the Chairperson decides otherwise.	x			

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
E: SUSTAINABILITY AND STAKEHOLDERS	E.1. The Company should integrate sustainability aspects in its strategy and mitigate any material negative environmental and social impacts of its operations, to the possible extent.	E.1., 1	The Board should ensure that sustainability, environmental and social considerations are integrated in the Company's strategy and operations, risk management and remuneration practices and shall oversee this integration. A specialised sustainability committee or one of the standing committees of the Board shall assist the Board with these tasks.				<p>N/A</p> <p>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.</p> <p>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.</p> <p>Corporate Sustainability Reporting Directive Based on the CSRD provisions as well as the related requirements transposed in national legislation (Financial Supervisory Authority Norm no. 39/2015 as subsequently amended), there is a specific exemption from the reporting requirements on sustainability information applicable in case of the Fund.</p>
E: SUSTAINABILITY AND STAKEHOLDERS	E.1. The Company should integrate sustainability aspects in its strategy and mitigate any material negative environmental and social impacts of its operations, to the possible extent.	E.1., 2	The Board should ensure that Company's operations run according to the national and international E&S standards and Company's E&S policies are consistent with its long-term objectives. In particular, the Company shall have internal acts relating to its responsibilities for environmental and social issues and policies and procedures that enable it to identify material factors and assess the impact on the Company's activities.				<p>N/A</p> <p>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.</p> <p>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.</p>

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
							<p>Corporate Sustainability Reporting Directive Based on the CSRD provisions as well as the related requirements transposed in national legislation (Financial Supervisory Authority Norm no. 39/2015 as subsequently amended), there is a specific exemption from the reporting requirements on sustainability information applicable in case of the Fund.</p>
E: SUSTAINABILITY AND STAKEHOLDERS	E.1. The Company should integrate sustainability aspects in its strategy and mitigate any material negative environmental and social impacts of its operations, to the possible extent.	E.1., 3	Whenever a decision to be approved by the Board has potential material and negative E&S impact, the Board should receive from the executive management (i) an analysis on how this decision is aligned with the Company's sustainability objectives and E&S policies or (ii) proposal of the measures to mitigate negative E&S impacts.				<p>N/A</p> <p>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.</p> <p>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.</p> <p>Corporate Sustainability Reporting Directive Based on the CSRD provisions as well as the related requirements transposed in national legislation (Financial Supervisory Authority Norm no. 39/2015 as subsequently amended), there is a specific exemption from the reporting requirements on sustainability information applicable in case of the Fund.</p>
E: SUSTAINABILITY AND STAKEHOLDERS	E.2. The Company should have in place a process for identifying the stakeholders affected by Company's operations. The Board should take into consideration stakeholders' interests and ensure there is active communication between the Company and its stakeholders.	E.2., 1	The Board should ensure that there is a formal stakeholder identification process for Company's stakeholders including investors, creditors, clients, employees and suppliers, as well as targeted approaches for engaging with its priority stakeholders.	x			

Section	Principle	Prov No.	Provision (detailed)	Yes	Par tial	No	Explanation
E: SUSTAINABILITY AND STAKEHOLDERS	E.3. The Board should adopt a Code of Conduct with adequate scope including guiding principles which reflect the Company's commitment to ethics, integrity and quality of performance.	E.3., 1	The Board should develop a purpose statement and a vision statement as well as articulate Company's values, so the entire organisation understands the Company's strategic direction.	x			The Investment Policy Statement of the Fund is included on the website at the following link: https://www.fondulpropriatea.ro/files/live/sites/fondul/files/en/corporate-governance/Investment%20Policy%20Statement.pdf
E: SUSTAINABILITY AND STAKEHOLDERS	E.3. The Board should adopt a Code of Conduct with adequate scope including guiding principles which reflect the Company's commitment to ethics, integrity and quality of performance.	E.3., 2	The Board should adopt a Code of Conduct for Board members, executive management and Company employees, with clear provisions aimed at preventing and sanctioning fraud and bribery. The Board should not permit any waiver of any ethics requirement by any director, executive manager or employee.	x			https://www.fondulpropriatea.ro/files/live/sites/fondul/files/en/corporate-governance/Code%20of%20ethics%2020.04.2023.pdf
E: SUSTAINABILITY AND STAKEHOLDERS	E.3. The Board should adopt a Code of Conduct with adequate scope including guiding principles which reflect the Company's commitment to ethics, integrity and quality of performance.	E.3., 3	The Board should ensure that the Code of Conduct policies are integrated into Company's practices and incorporated into the onboarding process for new hires. The Board should ensure the efficient implementation and monitoring of compliance with the Code of Conduct and periodically review it.	x			

Annex 5 Actual vs. budget analysis for the year ended 31 December 2025

Purpose

The 2025 Annual Budget was initially approved by shareholders during the general shareholders meeting (“GSM”) held on 2 December 2024 through Resolution no. 19.

This paper presents the most significant variances of the main income and expense categories of Fondul Proprietatea SA (“the Fund”/ “FP”) for the year ended 31 December 2025 (“2025”) compared to the budgeted figures from the 2025 Annual Budget.

Amendments to the 2025 Annual Budget

During the GSM held on 29 April 2025, the shareholders approved two amendments to the Annual Budget:

- The reclassification of RON 1.8 million from “Expenses related to listing of portfolio holdings” to the Fund Manager selection budget
- The increase in the statutory audit fee by RON 126,774.

During the 29 September 2025 GSM, the shareholders approved the cancellation of the selection process approved during the GSM held on 25 September 2023. During this meeting, they also approved the initiation by the Board of Nominees of a new, simplified, transparent, and efficient selection process for an alternative investment fund manager and sole director of Fondul Proprietatea, selection process which shall not exceed 150 days, with associated costs limited to a maximum of RON 1,500,000. This amount is reflected in this document under caption “Fund Manager Selection related expenses (new selection)”.

The 2025 Annual Budget presented in this paper is the updated budget in accordance with the latest shareholders approvals. A summary of all modifications can be found in Annex 2: Amendments to the 2025 Annual budget.

Presentation

The actual vs. budget analysis for the year ended 31 December 2025 was prepared based on IFRS accounting records (statutory basis of accounting), according to Financial Supervisory Authority (“FSA”) Norm 39/28 December 2015, as subsequently amended.

For the actual vs. budget analysis, the income and expense items were categorised to match the budget presentation. The foreign exchange gains/ losses, the gains/ losses from financial instruments at fair value through profit or loss, the gains/ losses on sale of financial instruments, other items of income/ expenses and expenses/ income from reversal of impairment adjustments and provisions are presented on a net basis.

According to the Fund’s accounting policy, the distribution fees related to buy-backs and other related costs, such as, brokerage fees and regulatory fees are recognised in other comprehensive income.

According to the main assumptions of the 2025 Annual Budget, there are certain categories of income and expenses which cannot be budgeted, such as: foreign exchange gains and losses, changes in fair value of financial instruments, changes in portfolio and related effects on the income and expenses of the Fund, expenses with provisions and impairment adjustments.

Consequently, this actual vs. budget analysis presents an overview of the non-budgeted items and a detailed explanation for the budgeted items.

Results

A. Total actual net result

The table below presents an overview of the budgeted/ non-budgeted results for 2025:

<i>All amounts in RON</i>	Budget (updated) 2025	Actual results 2025	Actual 2025 vs. Budgeted 2025	
	RON	RON	RON	%
Budgeted items	49,658,053	139,706,905	90,048,852	>100%
Non-budgeted items		310,204,664		
	49,658,053	449,911,570		

The actual net result of the Fund for 2025 was a profit of RON 449.9 million, while the actual result corresponding to the budgeted items was a profit of RON 139.7 million. The difference was mostly generated by the non-budgeted net gains from equity instruments at fair value through profit or loss (most significant: CN Aeroporturi Bucuresti SA fair value gain of RON 332.6 million netted by Societatea Nationala a Sarii SA fair value loss of RON 37.5 million).

The difference between the budgeted items result of 139.7 million presented above and the 137 million presented as net result for 2025 in Annex 1 is due to the CIT recorded directly to equity as presented in note B.4 Income tax expense.

B. Variances for the budgeted net result

This section presents a detailed analysis of the budgeted items by comparison with the actual results for the same elements. Therefore, the net result under this section should be read as the net result corresponding to the budgeted elements while the reconciliation to the total net result is presented in the previous section.

Net result overview

The actual net profit for 2025 was RON 139.7 million, compared to a budgeted 2025 profit of RON 51.2 million. The following sections include detailed explanations about the main variances.

B.1 Income from current activity

<i>All amounts in RON</i>	Budget 2025	Actual 2025	Actual 2025 vs. Budgeted 2025	
	RON	RON	RON	%
I. BUDGETED INCOME FROM OPERATING ACTIVITY	109,010,130	176,169,716	67,159,586	62%
Net dividend income	104,097,000	155,607,128	51,510,128	49%
Interest income	4,913,130	20,475,022	15,561,892	>100%
Other income (e.g. BNY Mellon income)	-	87,566	87,566	100%

The difference between the budgeted vs. actual net dividend income is mostly related to increased dividends received from CN Aeroporturi Bucuresti SA (estimated at RON 52.5 million based on a payout rate of 50% of the 2024 estimated profit of 525 RON million vs. RON 103 million approved based on a payout rate of 90% on an actual total net profit of RON 572.3 million).

The increase in interest income vs. budgeted amounts comes from the fact the 2025 Annual Budget does not contain assumptions related to interest income on distribution accounts as the balances are not under the control of the Fund. In addition, there was a timing gap regarding the initiation of a tender offer which positively impacted available funds to be invested in interest bearing instruments. Out of the total actual result of RON 20.5 million presented in the table above, RON 10.4 million comes from interest on bank deposits, RON 9.0 million comes from

interest income on distribution accounts and RON 1.0 million comes from interest income from T-bills.

The amount seen on Other income actual results line is linked to GDR issuance/cancellation fees received from BNY Mellon based on the contract signed between the parties (final fees before the delisting date that occurred during April 2025).

B.2 Expenses from current activity

<i>All amounts in RON</i>	Budget (updated) 2025	Actual results 2025	Actual 2025 vs. Budgeted 2025	
	RON	RON	RON	%
II. BUDGETED EXPENSES FROM OPERATING ACTIVITY	42,264,414	35,368,937	(6,895,477)	-16%
Administration fees recognised in profit or loss	15,970,634	19,624,144	3,653,510	23%
Legal and litigation assistance	5,104,512	3,430,717	(1,673,795)	-33%
Taxes, fees and commissions	3,838,714	2,615,148	(1,223,566)	-32%
Board of Nominees related expenses	3,482,850	2,009,684	(1,473,165)	-42%
Audit and other regulatory reporting expenses	2,381,560	2,308,244	(73,316)	-3%
Valuation and other portfolio related expenses	2,094,064	1,227,434	(866,630)	-41%
Fund Manager Selection related expenses (old selection)	3,673,799	1,779,415	(1,894,384)	-52%
Fund Manager Selection related expenses (new selection)	1,500,000	-	(1,500,000)	-100%
Investor relations expenses	1,023,407	409,132	(614,274)	-60%
GSM organisation and other shareholder related expenses	833,614	765,091	(68,524)	-8%
Public relations expenses	700,166	283,821	(416,345)	-59%
Expenses related to GDR delisting from LSE	677,152	155,600	(521,552)	-77%
Other expenses	983,942	760,507	(223,435)	-23%

During 2025, the actual expenses from current activity amounted to RON 35.4 million being lower than the budgeted figures for the year by RON 6.9 million. Please see sections below for additional information regarding each expense type.

a) Administration fees recognised in profit or loss

<i>All amounts in RON</i>	Budget (updated) 2025	Actual results 2025	Actual 2025 vs. Budgeted 2025	
	RON	RON	RON	%
Administration fees recognised in profit or loss	15,970,634	19,624,144	3,653,510	23%
Base fee	15,970,634	16,772,111	801,476	5%
Distribution fee for cash distributions to shareholders	-	2,852,034	2,852,034	100%
Administration fees recognised in other comprehensive income	3,708,320	2,064,361	(1,643,959)	-44%
Distribution fee for buy-back programmes	3,708,320	2,064,361	(1,643,959)	-44%
Total administration fees	19,678,954	21,688,505	2,009,551	10%

Total administration fees for 2025 were higher by 10% compared to budgeted figures for the year.

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 (total amount of RON 126.9 million).

During the 29 September 2025 General Shareholders Meeting, the Fund's shareholders approved the distribution of a gross dividend of RON 0.0122825494 per share from retained earnings (total amount of RON 36.2 million)

No dividend distributions were budgeted for the purpose of the 2025 Annual Budget.

The variance seen in distribution fee for buy-back programmes comes from the fact that the Fund was not able to buy-back all shares in the buy-back programme as approved by the shareholders during the 2 December 2024 GSM (320 million shares) due to additional liquidity limitations, generated in part, by shareholders decisions taken throughout the year (e.g. 29 September 2025 approved dividend as described above).

b) Legal and litigation assistance

<i>All amounts in RON</i>	Budget (updated) 2025 RON	Actual results 2025 RON	Actual 2025 vs. Budgeted 2025	
			RON	%
Legal advisory and litigation assistance	3,939,809	3,412,791	(527,018)	-13%
Legal assistance related to the selection process	1,164,703	17,926	(1,146,777)	-98%
Legal and litigation assistance	5,104,512	3,430,717	(1,673,795)	-33%

These expenses include legal services provided by external legal advisors, as well as legal representation for litigations in which the Fund is involved, stamp duties, Trade Registry expenses and notary fees.

The actual expenses under this category are RON 3.4 million which is below the budgeted amounts by 33%.

c) Taxes, fees and commissions

<i>All amounts in RON</i>	Budget (updated) 2025 RON	Actual results 2025 RON	Actual 2025 vs. Budgeted 2025	
			RON	%
FSA fees	2,480,354	1,974,366	(505,989)	-20%
Corporate brokerage services related to LSE listing	452,239	103,030	(349,210)	-77%
LSE listing fees	418,491	135,386	(283,105)	-68%
Central Depository and Paying Agent fees for distributions to shareholders	140,922	157,738	16,816	12%
BVB annual listing fee	88,962	85,404	(3,558)	-4%
Other taxes and fees	257,745	159,226	(98,520)	-38%
Taxes, fees and commissions	3,838,714	2,615,148	(1,223,566)	-32%

This category mainly includes the FSA monthly fees estimated based on NAV, listing fees for London Stock Exchange ("LSE") and Bucharest Stock Exchange, corporate brokerage services related to LSE listing and other taxes and fees such as Central Depository fees and depository bank fees.

Total actual Taxes, fees and commissions for 2025 of RON 2.6 million are lower by 32% compared to the budgeted figures. The main drivers are related to LSE fees which are significantly lower due to the fact that the effective cancellation of trading of the global depository receipts from the Specialist Fund Segment of the Main Market of the London Stock Exchange plc occurred on 25 April 2025. The values in the 2025 Annual Budget were estimated without the delisting effects (not yet approved by shareholders at the date of budget submission).

The Fund also included in the budgeted figures for FSA monthly fees a 25% buffer to account for variations in NAV while the actual NAV was generally stable during the year with December 2025 NAV being 4.1% higher than 31 December 2024 NAV.

Central Depository and Paying Agent fees were higher than previously estimated due to the fact that the Fund did not include in its 2025 Annual Budget any dividend distribution while two dividend payments were approved by shareholders during the year.

Other taxes and fees are 38% lower and include banking fees such as online banking, swift, audit confirmations, commissions, central depository share maintaining fees and others.

d) Board of Nominees related expenses

<i>All amounts in RON</i>	Budget (updated) 2025	Actual results 2025	Actual 2025 vs. Budgeted 2025	
	RON	RON	RON	%
Board of Nominees remuneration	1,703,556	1,383,643	(319,913)	-19%
Advisory services - other	692,188	217,884	(474,305)	-69%
Travel expenses for taking part in Board meetings and GSMs	475,475	51,668	(423,807)	-89%
Insurance expenses	267,921	248,522	(19,399)	-7%
Other expenses	343,710	107,968	(235,742)	-69%
Board of Nominees related expenses	3,482,850	2,009,684	(1,473,165)	-42%

Board of Nominees ("BoN") actual remuneration was lower compared to budgeted amounts due to the fact that the Board structure was modified several times during the year:

- Resignation of Ms. Ileana – Lacramioara Isarescu from her position as BoN member on 5 May 2025
- 29 September 2025 GSM: revocation of Ms. Ilinca von Derenthall, Mr. Ciprian Ladunca, Mr. Nicholas Paris and Mr. Marius-Alin Andries and appointment of Mr. Istvan Sarkany.
- 21 November 2025 GSM: appointment of Mr. Matej Rigelnik, Mr. Andrei – Octav Moise and Mr. Florian Munteanu as BoN members
- 21 November 2025 GSM: appointment of Mrs. Kristine – Monica Bago as an independent member, not part of the BoN, that chairs the Audit and Valuation Committee. Mrs. Bago was appointed directly by the GSM, her appointment being in addition to the 5 BoN positions stipulated in the Fund's Constitutive Act.

Following his appointment, Mr. Matej Rigelnik renounced his allocated BoN remuneration.

Actual advisory services for 2025 mainly include the fees for the Board secretarial services which are lower than the estimated amounts for the year by 69%.

Travel expenses are lower compared to budgeted figures, and the decrease is as a result of lower travel costs for both Board members and FTIS employees (meetings held in Bucharest/online). Following the GSM held on 29 September 2025, there were no additional travel expenses incurred.

Insurance expenses are in line with the budgeted values, the variation coming from a 10% buffer being budgeted for FX variations.

The actual expenses under the Other expenses caption include payroll services provider costs as well as file sharing platform fees.

e) Audit and other regulatory reporting expenses

<i>All amounts in RON</i>	Budget (updated) 2025	Actual results 2025	Actual 2025 vs. Budgeted 2025	
	RON	RON	RON	%
Statutory audit fees	884,812	844,789	(40,023)	-5%
Tax advisory and compliance	672,029	625,839	(46,190)	-7%
Non-audit services performed by the auditor	373,198	376,415	3,217	1%
Other regulatory/ professional fees	327,772	39,213	(288,558)	-88%
Internal audit fees	123,748	421,987	298,238	>100%
Audit and other regulatory reporting expenses	2,381,560	2,308,244	(73,316)	-3%

Non-audit services performed by the auditor include expenses related to the fact that on 18 August 2025 a group of shareholders which control more than 5% of voting rights requested 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 alternative investment fund manager of the Fund (service fee of EUR 35,000 without VAT).

Even though the cost of this report was not budgeted, the budget overrun was not significant due to the fact that the Fund included in its 2025 Budget other regulatory reports which were ultimately not required to be prepared (e.g. related parties transactions report).

Other regulatory/professional fees mostly include professional services by professional service providers, including Big 4 (not related to portfolio). As can be seen in the table above, the Fund recorded significant savings on this category as fewer such services were contracted during 2025 than previously estimated.

The accrual internal audit fees include the fees for an internal audit report regarding the entire process conducted by the Board of Nominees for the selection of a new alternative investment fund manager (service fee of EUR 44,700 without VAT). This request was received by the Fund on 8 September 2025 from a group of shareholders which control more than 5% of voting rights.

f) Valuation and other portfolio related expenses

<i>All amounts in RON</i>	Budget (updated) 2025 RON	Actual results 2025 RON	Actual 2025 vs. Budgeted 2025	
			RON	%
Valuation of unlisted holdings for financial reporting	1,501,968	1,191,896	(310,072)	-21%
Other valuation, consultancy services related to portfolio	592,096	35,538	(556,558)	-94%
Valuation and other portfolio related expenses	2,094,064	1,227,434	(866,630)	-41%

During 2025 the actual expenses under caption Valuation of unlisted holdings for financial reporting were lower by 21% compared to the estimated amounts for the year as not all reports included in the budget were required.

A significant savings of 94% was recorded for Other valuation, consultancy services related to portfolio as, during 2025, the Fund did not contract the services of consultants to perform other services related to the portfolio.

g) Fund Manager Selection related expenses (old selection)

<i>All amounts in RON</i>	Budget (updated) 2025 RON	Actual results 2025 RON	Actual 2025 vs. Budgeted 2025	
			RON	%
Advisory fees for Deutsche Numis	1,509,073	1,288,339	(220,734)	-15%
Other advisory fees	388,115	491,076	102,961	27%
Additional budget as per 29 Apr 2025 GSM	1,776,611	-	(1,776,611)	-100%
Fund Manager Selection related expenses	3,673,799	1,779,415	(1,894,384)	-52%

The actual expenses in the first category include the retainer fee and reinvoiced costs from Deutsche Numis, together with the related VAT and withholding tax. The engagement letter with Deutsche Numis expired on 12 August 2025.

Other advisory fees mainly include: legal advisory fees, BoN travel fees and other selection related fees.

The additional budget was approved by the shareholders during 29 April 2025 GSM for 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.

Following the cancellation of the selection process approved by the shareholders on 29 September 2025, no other selection related expenses were incurred after this date.

h) Fund Manager Selection related expenses (new selection)

During the 29 September 2025 GSM the shareholders approved the budget for the new selection process, in amount of RON 1,500,000. There were no expenses incurred for the new selection process during the year 2025.

i) Investor relations expenses

This category include mainly road-shows costs (e.g. travel, accommodation, event organisation, partnerships), investor's days costs, quarterly events costs, other special events, website and technology expenses.

The actual expenses under this category are 60% lower than the budgeted amounts as the Fund attended fewer such events in 2025 than estimated.

j) GSM organisation and other shareholder related expenses

The main component of this category is related to GSM organisation costs, such as hiring a venue, advertisement, copying documents, and other organisational costs. In addition, this category includes costs with shareholders' correspondence, mailing and printing.

The actual expenses were 8% lower compared to the budgeted amounts for 2025. The Fund budgeted 5 GSM events for 2025 while only 3 GSMs actually took place. However, the saving for this category is reduced due to the fact that as the shareholder structure became more dispersed, during 2025 the Fund had to introduce two convenings of the meeting for each GSM in order to make sure that the quorum requirements are met.

k) Public relations expenses

PR expenses include mainly PR agency costs, press conferences, seminars, round tables, private or public events, media monitoring services, services related to media trips for promoting Fondul Proprietatea.

The actual expenses under this category are 59% lower than the budgeted amounts because of fewer conferences and media partnerships organised during 2025 as compared to estimated numbers.

l) Expenses related to GDR delisting from LSE

A significant part of the work required for the delisting was performed by external legal counsels during 2024 in order to initiate discussions with London Stock Exchange, address shareholders questions and meet the contractual deadlines for notifications to various parties. Please see in the table below a current financial analysis for this project:

<i>All amounts in RON</i>	Budget (updated) 2025 RON	Actual results 2024 RON	Actual results 2025 RON	Total project expenditure RON	Actual vs. Budgeted RON	%
Expenses related to GDR delisting from LSE	677,152	642,203	155,600	797,803	120,651	18%

The higher costs incurred in the project come from the additional work required from the external legal counsel as well as additional fiscal advice necessary during 2025 regarding the delisting process.

Please note that, according to the 2025 Annual Budget as approved by the shareholders, the Fund is allowed to "incur on behalf of the Fund any expenses related to delisting of the Fund's GDRs from LSE; these expenses might include, among others: market authorities' fees, other regulatory fees, legal advisory services, other advisors' costs, public notaries, as well as other commissions or fees [...] even if this will result in exceeding the total expenses approved in the 2025 Budget".

m) Other expenses

The other expenses caption includes government relation strategy costs, expenses with rent and utilities, software update and maintenance fees and amortisation expenses, archiving costs and translation expenses.

The actual expenses under this category are 23% lower than the budgeted amounts mainly as a result of lower advisory fees for EU related topics and lower maintenance fees.

B.3 Expenses related to listing of portfolio holdings

This category includes total annual budgeted expenses of RON 6.5 million related to the listing of Societatea Nationala a Sarii SA - investment bank fees, legal counsel fees, commissions and fees due to FSA and relevant market operators, expenses related to marketing activities and other consultancy expenses.

There were no expenses incurred during 2025 related to listing of portfolio holdings. However, as stated above, and as can be seen in the main category table, RON 1.8 million were reclassified from this category to Fund Manager Selection related expenses based on the shareholders' approval from April 2025.

B.4 Income tax expense

<i>All amounts in RON</i>	Budget (updated) 2025 RON	Actual results 2025 RON	Actual 2025 vs. Budgeted 2025	
			RON	%
Income tax expense	10,603,500	3,800,643	(6,802,857)	-64%

The 64% variation seen in the table above is mainly due to the fact that for the purpose of the budgeting process, the Fund adopted a more prudent approach regarding the events that might occur which would impact the corporate income tax expense. Part of the events forecasted did not occur which resulted in the above-seen savings.

Out of the total of RON 3,800,643 presented above, RON 1,093,874 was recorded in profit and loss and RON 2,706,769 recorded directly in equity due to:

- a reduction in legal reserve of RON 36,986,843 as approved by the shareholders during the 29 April 2025 GSM which generated an income tax of RON 1,775,368,
- dividends prescribed during 2025 in amount of RON 19,404,179 that are also considered similar to revenue from a fiscal perspective which generated an income tax of RON 931,401.

C. Buy-back programme costs

<i>All amounts in RON</i>	Budget (updated) 2025 RON	Actual results 2025 RON	Actual 2025 vs. Budgeted 2025	
			RON	%
BUY-BACK PROGRAMME COSTS - REGONISED IN EQUITY	7,718,587	3,285,860	(4,432,727)	-57%
Distribution fees for buy-back programmes recognised in equity	3,708,320	2,064,361	(1,643,959)	-44%
Other costs related to buy-back programmes	4,010,267	1,221,499	(2,788,768)	-70%

According to the Fund's accounting policy, the buy-back programme costs are recognised in other comprehensive income (equity) and these mainly include distribution fees and other buy-back related costs, such as regulatory fees, brokerage fees, GDR conversion fees, tender agent fees, legal costs and other costs directly related to the acquisition of own shares and GDRs.

The 16th buy-back programme was approved during 2 December 2024 GSM, to be implemented during the financial year ending 31 December 2025 or up until the regulatory cap is reached.

The 44% variation on distribution fees and the 70% variation on other buy-back related costs arise from the fact that the Fund was not able to buy-back all shares in the buy-back programme as approved by the shareholders (320 million shares) due to additional liquidity limitations, generated in part by shareholders decisions taken throughout the year (e.g. the additional dividend approved on 29 September 2025 as described above).

D. Capital Expenditure

The 2025 capital expenditure budget mainly includes the allowance for changes in the Fund's software systems in 2025 and for changes/ developments to the Fund's website (hosting, maintenance, new enhancements, data feed for GDR prices and BVB share price). The 40 thousand RON incurred during 2025 is related to the cost of the upgrades performed on the Fund's accounting system.

Annex 1: Actual vs. Budgeted results for the year ended 2025

All amounts in RON	Budget (updated) 2025	Actual results 2025	Actual 2025 vs. 2025 Budget	
	RON	RON	RON	%
I. BUDGETED INCOME FROM OPERATING ACTIVITY	109,010,130	176,169,716	67,159,586	62%
Net dividend income	104,097,000	155,607,128	51,510,128	49%
Interest income	4,913,130	20,475,022	15,561,892	>100%
Other income (e.g. BNY Mellon income)	-	87,566	87,566	100%
II. BUDGETED EXPENSES FROM OPERATING ACTIVITY	42,264,414	35,368,937	(6,895,477)	-16%
Administration fees recognised in profit or loss	15,970,634	19,624,144	3,653,510	23%
Legal and litigation assistance	5,104,512	3,430,717	(1,673,795)	-33%
Taxes, fees and commissions	3,838,714	2,615,148	(1,223,566)	-32%
Board of Nominees related expenses	3,482,850	2,009,684	(1,473,165)	-42%
Audit and other regulatory reporting expenses*	2,381,560	2,308,244	(73,316)	-3%
Valuation and other portfolio related expenses	2,094,064	1,227,434	(866,630)	-41%
Fund Manager Selection related expenses (old selection)*	3,673,799	1,779,415	(1,894,384)	-52%
Fund Manager Selection related expenses (new selection process)*	1,500,000	-	(1,500,000)	-100%
Investor relations expenses	1,023,407	409,132	(614,274)	-60%
GSM organisation and other shareholder related expenses	833,614	765,091	(68,524)	-8%
Public relations expenses	700,166	283,821	(416,345)	-59%
Expenses related to GDR delisting from LSE	677,152	155,600	(521,552)	-77%
Other expenses	983,942	760,507	(223,435)	-23%
III. GROSS BUDGETED OPERATING PROFIT	66,745,716	140,800,779	74,055,063	>100%
Expenses related to listing of portfolio holdings*	6,484,163	-	(6,484,163)	-100%
IV. GROSS BUDGETED PROFIT	60,261,553	140,800,779	80,539,226	>100%
Income tax expense	10,603,500	3,800,643	(6,802,857)	-64%
V. NET BUDGETED PROFIT	49,658,053	137,000,136	87,342,083	>100%
BUY-BACK PROGRAMME COSTS - REGOINISED IN EQUITY**	7,718,587	3,285,860	(4,432,727)	-57%
Distribution fees for buy-back programmes recognised in equity	3,708,320	2,064,361	(1,643,959)	-44%
Other costs related to buy-back programmes	4,010,267	1,221,499	(2,788,768)	-70%
CAPITAL EXPENDITURE	153,945	40,251	(113,694)	-74%
Capital expenditure	153,945	40,251	(113,694)	-74%

* The presented figures include the effects of the adjustments performed to the initial 2025 Annual Budget as presented in Annex 2: Amendments to the 2025 Annual budget

** The distribution fee and other costs related to the buy-backs, such as, brokerage fees and regulatory fees, are recognised directly in equity as buy-backs acquisition cost while the distribution fee related to dividend distributions to shareholders is recognised in profit and loss.

Annex 2: Amendments to the 2025 Annual budget

<i>All amounts in RON</i>	Budget 2025 (initial) 2 Dec 2024 GSM	Adjustments as per 29 Apr 2025 GSM	Adjustments as per 30 Sep 2025 GSM	Budget (updated) 2025
II. BUDGETED EXPENSES FROM OPERATING ACTIVITY	4,151,973	1,903,385	1,500,000	7,555,359
Audit and other regulatory reporting expenses	2,254,785	126,774	-	2,381,560
Fund Manager Selection related expenses (old selection)	1,897,188	1,776,611	-	3,673,799
Fund Manager Selection related expenses (new selection)	-	-	1,500,000	1,500,000
Expenses related to listing of portfolio holdings	8,260,774	(1,776,611)	-	6,484,163

Annex 6 Constitutive Act of Fondul Proprietatea in force as at 31 December 2025

**CONSTITUTIVE ACT UPDATED AS OF 29 SEPTEMBER 2025, ON THE BASIS OF THE
FINANCIAL SUPERVISORY AUTHORITY'S AUTHORIZATION NO. 111 / 29 SEPTEMBER
2025, EFFECTIVE STARTING WITH 15 OCTOBER 2025**

CHAPTER I

Name of the company, legal form, headquarters and duration

ARTICLE 1

Name of the Company

- (1) The name of the Company is "Fondul Proprietatea" - S.A.
- (2) All invoices, offers, orders, tariffs, prospectuses and other documents used in business, issued by the Company shall indicate the name, the legal form, the registered office, the registration number with the Commercial Registry and the sole registration code (CUI), the subscribed share capital, and the paid share capital".

ARTICLE 2

Legal form of the company

- (1) "Fondul Proprietatea" - S.A., hereinafter referred to as Fondul Proprietatea, is a Romanian legal person, set up as a joint-stock company.
- (2) Fondul Proprietatea is organized, operates and ceases its activity under the legal provisions in force.
- (3) Fondul Proprietatea is set up as an alternative investment fund (A.I.F.), addressed to retail investors, constituted as investment company of the closed-end-type.

ARTICLE 3

Company headquarters

- (1) The registered office of Fondul Proprietatea is located in Bucharest, 76-80 Buzesti Street, floor 7th, Sector 1; the headquarters may be changed to any other location in Romania, by decision of the asset management company (Alternative Investment Fund Manager), according to article 21 paragraph (4) xii).
- (2) The Company may set up secondary headquarters such as branches, representative offices, working points or other units with no legal personality, under the terms provided by law.

ARTICLE 4

Company duration

- (1) The duration of Fondul Proprietatea is until 31 December 2031.
- (2) The duration may be extended by the extraordinary general meeting of shareholders, with additional periods of 5 years/each.

CHAPTER II

Purpose and business object of the company

ARTICLE 5

Company purpose

The purpose of Fondul Proprietatea is the management and administration of the portfolio.

ARTICLE 6

Business object

- (1) Fondul Proprietatea has as main object of activity the management and administration of the portfolio.
- (2) The main domain of activity of Fondul Proprietatea is the one described by NACE Code 643 – Activities of investment funds; mutual funds and other similar financial entities. The main activity is “Activities of money market funds and non-money market funds” (NACE Code 6431). The secondary activity is “Mutual funds and similar financial institutions” (NACE Code 6432).
- (3) The business object of Fondul Proprietatea is the following:
 - a) management and administration of the portfolio;
 - b) other additional and adjacent activities, according to the regulations in force.

CHAPTER III

Share capital, shares

ARTICLE 7

Share capital

- (1) The subscribed and paid-up share capital of Fondul Proprietatea is in the amount of RON 1,664,407,948.32, divided in 3,200,784,516 ordinary nominative shares, having a nominal value of RON 0.52 each.
- (2) The identification data of each shareholder, the contribution to the share capital of each shareholder, the number of shares to which a shareholder is entitled to and the participation quota out of the total share capital are included in the shareholders’ register kept by a computerized system by the Central Depository.
- (3) The capacity of shareholder of Fondul Proprietatea, as well as, in the case of legal persons or entities without legal personality, the capacity of legal representative of that respective shareholder is established on the basis of the list of shareholders from the reference/registration date received by Fondul Proprietatea from Depozitarul Central S.A. or, as the case may be, for dates different from the reference/registration date, on the basis of the following documents submitted to Fondul Proprietatea by the shareholder and issued by Depozitarul Central S.A. or by the participants as defined by the applicable laws and regulations, which provides custody services: a) the statement of account showing the capacity of shareholder and the number of shares held; b) documents evidencing the registration of the information on the legal representative with Depozitarul Central S.A./ respective participants.

ARTICLE 8

Share capital increase and decrease

- (1) The extraordinary general meeting of the shareholders shall decide, under the conditions of the law, on the share capital increase and decrease of Fondul Proprietatea, in accordance with the provisions of art. 12 (3) letter c) and d) of this constitutive act.
- (2) The share capital may be increased, in accordance with the provisions of the law:
 - a) by issuing new shares in exchange for cash contributions;
 - b) by incorporating reserves, except for the legal reserves and of the reserves created out of the re-evaluation of the patrimony, as well as of the benefits and issuing premiums.
- (3) The share capital increase stated for in paragraph 2 shall be registered at the Trade Register Office, on the basis of the decision made by the General Meeting of the Shareholders of Fondul Proprietatea.
- (4) Any share capital decrease shall be performed in accordance with the provisions of the law.
- (5) The share capital may be decreased by:
 - a) decreasing the number of shares;
 - b) decreasing the nominal value of shares; and
 - c) other means provided by the law.
- (6) In case the Alternative Investment Fund Manager notices that, due to accrued losses, the amount of the net assets, established as the difference between the total assets and total liabilities of Fondul Proprietatea, is less than half of the value of the subscribed share capital, Fund Manager is bound to call the extraordinary general meeting of the shareholders, which will decide if Fondul Proprietatea requires to be dissolved. In case the extraordinary general meeting of the shareholders does not decide the dissolution of Fondul Proprietatea, then Fondul Proprietatea is bound to proceed, at the latest by the termination of the fiscal year subsequent to the one in which the losses were determined, to a share capital decrease with an amount at least equal to that of the losses which could not be covered by reserves, in case in this time the net assets of Fondul Proprietatea were not reconstituted up to a value at least equal to half of the share capital.
- (7) Share capital decrease shall be performed only after two months as of the publication in the Official Gazette of Romania, Part IV, of the resolution of the extraordinary general meeting of the shareholders.

ARTICLE 9

Shares

- (1) The shares of Fondul Proprietatea are nominative, of equal value, issued in dematerialized form, established by registration in the account, and grants equal rights to their holders under the conditions provided by art. 11. The existing fully paid-up ordinary shares of Fondul Proprietatea are admitted to trading on the regulated market operated by Bursa de Valori Bucuresti S.A. and may be admitted to trading on other markets, with the approval of the extraordinary general meeting of shareholders.
 - (1[^]1) Fondul Proprietatea's Global Depositary Receipts (i.e., GDRs), having the shares of Fondul Proprietatea as underlying securities, are listed on the Specialist Fund Market of London Stock Exchange and may be admitted to trading on other markets, with the approval of the extraordinary general meeting of shareholders.
- (2) The nominal value of a share is RON 0.52.
- (3) The shares are indivisible with respect to Fondul Proprietatea, acknowledging only one holder for each share. In case a share becomes the property of more persons, Fondul Proprietatea / the Central Depository is not bound to register the transfer as long as those

persons will not appoint a sole representative to exercise the rights arising from the share.

(4) The partial or total transfer of the shares amongst the shareholders or third parties is done according to the terms, conditions and procedure provided by law.

(5) Fondul Proprietatea may buy back its own shares in accordance with the conditions laid down in legislation in force.

(6) The right to dividends are held by the shareholders registered in the shareholders' register, according to the applicable legal and/or regulatory provisions.

ARTICLE 10

Bonds

Fondul Proprietatea is authorized to issue bonds in accordance with the provisions of the law. Fondul Proprietatea is not allowed to conclude loan agreements for investment reasons.

ARTICLE 11

Rights and obligations arising from shares

(1) Each share fully paid by the shareholders, according to the law, grants them the right to vote in the general meeting of the shareholders, according to the provisions of paragraph (2), the right to elect and to be elected in the management bodies, the right to take part in the profit distribution, according to the provisions of this constitutive act and the legal dispositions, respectively other rights provided by the constitutive act.

(2) The shares issued by Fondul Proprietatea grant the right to vote, each share grants one voting right.

(3) Holding one share implies the rightful adhesion to this constitutive act.

(4) The rights and obligations follow the shares in case ownership thereof passes to another person.

CHAPTER IV

General meeting of the shareholders

ARTICLE 12

General meetings of the shareholders

(1) The general meeting of the shareholders may be ordinary and extraordinary.

(2) The ordinary general meeting of the shareholders has the following competencies, duties and functions:

a) to discuss, approve and amend the annual financial statements after reviewing the reports of the Alternative Investment Fund Manager and financial auditor;

b) to establish the distribution of the net profit and to establish the dividends;

c) to appoint the members of the Board of Nominees ("BoN") and to cancel their appointment;

d) to appoint the Alternative Investment Fund Manager in accordance with the law and to cancel its appointment;

e) to appoint and cancel the appointment of the financial auditor and to set the minimum duration of the financial audit agreement;

f) to approve the remuneration policy applicable to the members of the Board of Nominees and to the Alternative Investment Fund Manager, that includes the level of remuneration of the members of the Board of Nominees and of the Alternative Investment Fund Manager, and to set the level of the remuneration of the financial auditor for financial audit services;

- f¹) to vote on an annual basis on the remuneration report for the previous fiscal year; such a vote shall be of an advisory nature and Fondul Proprietatea shall explain in the following remuneration report how the vote by the general meeting has been taken into account;
- g) to rule over the management of the Alternative Investment Fund Manager and to evaluate his/her performances and to discharge him/her from its management,
- h) to decide on the action in a court of law against the Alternative Investment Fund Manager or, as the case may be, against the financial audit, for damages caused to Fondul Proprietatea;
- i) to approve the strategies and the development policies of Fondul Proprietatea;
- j) to establish the annual income and expenditure budget for the following financial year;
- k) to decide upon the pledge, lease or the creation of the movable securities or mortgages on the assets of Fondul Proprietatea, according to the legislation in force;
- l) to approve significant related parties' transactions, if their value is greater than 5% of the net asset value, at the proposal of the AIFM;
- m) to decide on any other aspects regarding Fondul Proprietatea, according to the legal duties.
- (3) The extraordinary general meeting of the shareholders is entitled to decide on the following:
- a) set-up or closing of some secondary units: branches, agencies, representative offices or other such units with no legal personality;
- b) share capital increase;
- c) share capital decrease or re-completion thereof by issuing new shares;
- d) conversion of shares from one category to another;
- e) conversion of a category of bonds to another category or to shares;
- f) issue new bonds;
- g) approves the admission for trading and nominates the regulated market on which the shares of Fondul Proprietatea will be traded;
- h) the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables;
- i) change of the management system of Fondul Proprietatea;
- j) limitation or cancellation of the preference right of the shareholders;
- k) approves the Investment Policy Statement;
- k¹) approval of: (i) the dissolution and liquidation of the Company; or (ii) the extension of the duration of the Company, in all cases according to the legislation in force;
- l) any other amendment of the constitutive act or any other resolution requiring the approval of the extraordinary general meeting of the shareholders, according to applicable law or to this Constitutive Act.

ARTICLE 13

Summoning the general meeting of the shareholders

- (1) The general meeting of the shareholders is called by the Alternative Investment Fund Manager whenever required. Prior to the convocation of the general meeting of the shareholders, the Alternative Investment Fund Manager shall communicate to the Board of Nominees the intention to call the general meeting and shall introduce on the list of matters for the meeting all matters requested by the Board of Nominees.
- (2) The ordinary general meeting of the shareholders meets at least once a year, within 4 months from the end of the financial year.
- (3) The date of the meeting may not be less than 30 days from the publication of the convocation in the Official Gazette of Romania, Part IV.

- (4) The general meeting of the shareholders, either ordinary or extraordinary, shall be called whenever required, according to the legal provisions in force and with the dispositions of the constitutive act, by publication of the calling notice in the Official Gazette of Romania, Part IV, and a national daily newspaper or in a local newspaper largely read in the locality where the headquarter of the company resides at least 30 days prior to the proposed date of meeting.
- (5) One or more shareholders, individually or jointly, representing at least 5% of the share capital of Fondul Proprietatea, may request the Alternative Investment Fund Manager by a written address signed by the holder(s) to introduce in the agenda new matters, within 15 days of the publication of the calling notice.
- (6) The calling notice, any other matter added to the agenda at the request of the shareholders or of the Board of Nominees, the annual financial statements, the annual report of the Alternative Investment Fund Manager, the report of the Board of Nominees as well as the proposal to distribute dividends are made available to the shareholders, at the headquarters of Fondul Proprietatea at the date of convocation of the general meeting, and are also published on the internet page, for free access to information by the shareholders. Upon request, copies of these documents shall be issued to the shareholders.
- (7) The calling notice includes all elements required according to legislation and regulations in force.
- (8) In case the agenda includes proposals to amend the constitutive act, the notice shall include the full text of the proposals. In case the agenda includes the appointment of the members of the Board of Nominees, the notice shall mention that the list including information regarding the name, the residence and professional training of the persons proposed for the position of member of the Board of Nominees is available to the shareholders, to be further reviewed and completed by shareholders.
- (9) The notice for the first general meeting of the shareholders may provide also the day and hour of the second meeting, having the same agenda as the first, in order to cover the situation in which the first meeting cannot take place if the quorum is not being met.
- (10) The general meeting of the shareholders shall meet at the headquarters of Fondul Proprietatea or in another place indicated in the notice.
- (11) The Board of Nominees may request to the Alternative Investment Fund Manager the calling of the general meeting, and if the Fund Manager does not observe the written request of the Board of Nominees within 5 working days from receiving it, the Board of Nominees may call upon the general meeting of the shareholders by following the same procedures as set out in this Article.
- (12) The chairperson of Board of Nominees may request to the Alternative Investment Fund Manager the calling of the general meeting according to article 16 paragraph (4) second sentence.
- (13) The Alternative Investment Fund Manager immediately call the general meeting of the shareholders, upon written request of the shareholders, individually or jointly, representing at least 5% of the share capital, in case the request includes dispositions that fall under the responsibility of the general meeting of shareholders.
- (14) In the case provided by paragraph (13), the general meeting of the shareholders shall be called within at most 30 calendar days and shall meet within at most 60 calendar days as of the date when the Alternative Investment Fund Manager received the request of the shareholders.
- (15) In the situation provided by paragraphs (13) and (14), in case the Alternative Investment Fund Manager does not call the general meeting of shareholders, the shareholders who requested the calling of the general meeting may request the same to the Board of Nominees. Should the Board of Nominees is also not responding to their request in 10 working days from the receipt of the request, the court of law from the headquarters of Fondul Proprietatea, by

summoning the Alternative Investment Fund Manager, may authorize the calling of the general meeting by the shareholders which formulated the request.

ARTICLE 14

Organization of the general meeting of the shareholders

I. Quorum and voting rights

(1) Upon the first calling, for the validity of the deliberations of the ordinary general meeting of the shareholders it is required that the shareholders representing at least a fourth of the total shares with right to vote to attend. The decisions of the ordinary general meeting of the shareholders are taken with the majority of votes held by the shareholders attending or being represented.

(2) In case the ordinary general meeting of the shareholders cannot operate due to lack of quorum under paragraph (1), the meeting that will meet upon a second convocation may deliberate on the items included in the agenda of the first meeting, irrespective of the met quorum, taking decision by majority of the expressed votes.

(3) For the validity of the deliberations of the extraordinary general meeting of the shareholders the following are required:

a) upon the first convocation, the attendance of the shareholders representing at least a fourth of the shares having voting rights, and the decisions are taken with majority of votes held by the shareholders attending or being represented;

b) upon the second convocation, the general meeting of the shareholders may deliberate on the items included in the agenda of the first meeting in the presence of the shareholders representing at least one fifth of the total number of the shares having voting rights, taking decisions by majority of votes held by the shareholders attending or being represented.

(4) The attendance of shareholders representing at least 50% of the total number of the voting rights, both at the first and the second convocation, is required for the validity of deliberations of the extraordinary general meeting of the shareholders to adopt a decision regarding:

(i) a share capital increase;

(ii) the anticipated dissolution of Fondul Proprietatea, made under the conditions of the law.

(5) For the validity of the deliberation of the extraordinary general meeting of shareholders regarding a share capital decrease, the attendance of the shareholders representing:

(i) at least a fourth of the shares having voting rights upon the first convocation; and

(ii) at least one fifth of the total number of the shares having voting rights, upon the second convocation is required.

(6) The decision to amend the main business object of Fondul Proprietatea, to decrease or increase the share capital, to change the legal form, to merge, de-merge or dissolve, is taken with a majority of at least two thirds of the voting rights related to the shares having voting rights of the shareholders attending or being represented.

II. Procedure of the meetings

(7) On the day and hour established in the convocation, the general meeting of the shareholders shall be opened by the permanent representative of the Alternative Investment Fund Manager or, in its absence, by the one holding its place. The permanent representative of the Alternative Investment Fund Manager or a person appointed by it shall be the chairman of the meeting. The members of the Board of Nominees shall participate at the meetings, as well.

(8) The general meeting shall elect, from amongst the attending shareholders, 1 up to 3

secretaries, who will check the attendance list of the shareholders, indicating the share capital represented by each of them, the minutes drawn up by the technical secretary to determine the number of the submitted shares and the fulfilment of the formalities requested by law and by the constitutive act for holding the general meeting of the shareholders.

(9) A minute of the meeting, signed by the president and by Secretaries, shall determine the fulfilment of the calling formalities, the date and place of the general meeting of the shareholders, attending shareholders, the members of the Board of Nominees present, the number of shares, a summary of the debates, the decisions taken, and upon request of the shareholders, the statements made thereby in the meeting.

(10) The documents referring to the convocation and the shareholders' attending list shall be attached to each minute.

(11) The permanent representative of the Alternative Investment Fund Manager may appoint, from amongst the employees of the Alternative Investment Fund Manager, one or more technical secretaries, to fulfil their duties according to the legal provisions.

(12) The decisions of the general meetings of the shareholders are drawn-up based on the minutes and is signed by the permanent representative of the Alternative Investment Fund Manager or by a person appointed thereby. The minutes shall be recorded in the general meetings of the shareholders' register.

(13) Considering the extremely large number of shareholders of Fondul Proprietatea the shareholders may participate in person, by proxy with a special power of attorney or may express their voting right by correspondence or by electronic voting; the procedures and forms for the proxy, correspondence and electronic voting shall be set by the Alternative Investment Fund Manager, in accordance with the applicable legislation and are made available to the shareholders at least by the date of publishing of convening notice for general meeting of shareholders.

(14) Considering the introduction of the voting right by correspondence, which right may be exercised and it is recommended to be exercised by any of the shareholders, the statutory quorum that needs to be met for the valid holding of any type of general meeting of the shareholders is calculated by including the votes deemed validly sent by correspondence.

(15) Also in the case of the vote by correspondence, each shareholder is entitled to pronounce himself in writing, with respect to the issues included in the agenda, casting a vote "for", "against" or "abstained". The expressed votes that are not cancelled are considered.

(16) All shareholders who, at the reference date, are registered in the shareholders' register, kept according to the law, have the right to participate to the general meetings of the shareholders.

(17) In order to ensure the effective and real possibility of all shareholders to be informed on the contents of the documents and the proposals of the ones requiring the organization of the general meeting of the shareholders, by care of the Alternative Investment Fund Manager, such will be available, at the headquarters of Fondul Proprietatea, as well as on the internet page of Fondul Proprietatea, at least 30 days prior to the date provided for holding the meeting. In the case the calling of the general meeting is made by the Board of Nominees, the Alternative Investment Fund Manager has the obligation to fulfil all the above-mentioned formalities at the request of the Board of Nominees. In case the communication with the shareholder is not realized in this way, for objective reasons, the Board of Nominees may announce in the calling notice a different address than the registered address of Fondul Proprietatea, where the above-mentioned documents will be made public on the website of Fondul Proprietatea, in accordance with the applicable legislation.

(18) In the ads informing on the convocation of the general meeting of shareholders of Fondul Proprietatea it will be indicated, by the Alternative Investment Fund Manager the reference date

in relation to which the shareholders will be entitled to participate and vote. Also, the date by when the shareholders may send their votes, as well as the procedure for voting by correspondence, regarding any of the issues subject to approval shall also be set. If the calling of the general meeting is made at the request of the Board of Nominees the above mentioned duties shall be fulfilled by the Board of Nominees. The deadline by when votes by correspondence may be registered at least 5 working days subsequent to the date of publication of the informative material and is prior to the convocation date of the general meeting of the shareholder by at least 48 hours.

(19) The votes of the shareholders will be sent electronically or by letter to the headquarters of Fondul Proprietatea, in a clear and precise form, noting "for", "against" or "abstained" in relation to each issue subject to approval for which the shareholder intends to cast a vote.

(20) The votes transmitted electronically shall be cancelled if they do not observe the procedure set by the Alternative Investment Fund Manager drawn up according to the Financial Supervisory Authority regulations and such votes will not be taken into consideration in calculating the attending quorum.

III. Exercising the voting right in the general meeting of the shareholders

(21) The shareholders may be represented in each general meeting by other shareholders or by third parties subject to evidence that voting authority has been delegated by the shareholder for that particular general meeting.

(22) The decisions of the general meetings of the shareholders are taken by open vote, except for the cases the law or this constitutive act does not provide differently.

(23) Only the shareholders registered in the company shareholders' register at the reference date established by the Alternative Investment Fund Manager or the Board of Nominees, as the case may be, when calling the general meeting of the shareholders shall be entitled to participate to the meeting and vote after proving their identity.

(24) Secret vote is compulsory for electing and revoking the Alternative Investment Fund Manager, the members of the Board of Nominees, the financial auditors and for taking some measures/decisions regarding the liability of the Alternative Investment Fund Manager or of the members of the Board of Nominees and of the financial auditors of Fondul Proprietatea.

(25) The procedures referring to the secret vote, where applicable will be approved by the Alternative Investment Fund Manager and will be made public on the website of Fondul Proprietatea at the date of convening notice at least by the date of publishing of convening notice for general meeting of shareholders.

(26) The decisions of the general meeting of the shareholders are binding for all shareholders, even for the absent shareholders or who voted against or abstained.

(27) The shareholders who do not have capacity to act, as well as the legal entities may be represented by their legal representatives who, in their turn, may grant power of attorney to other persons for that particular general meeting of the shareholders.

CHAPTER V The Board of Nominees

ARTICLE 15 Organisation

(1) The ordinary general meeting of the shareholders shall appoint the Board of Nominees, formed of 5 members, and shall establish their remuneration.

(2) Any shareholder will have the right to make proposals on the members of the Board of Nominees. The nomination will be accompanied by (a) the questionnaire regarding the independence of the candidate, completed and signed by the candidate, whose template shall be available in the informative materials, and (b) a letter of intent setting out the reasons supporting the candidacy; following that, this questionnaire and the letter of intent will be brought to the attention of the shareholders. The members of the Board of Nominees may be shareholders of Fondul Proprietatea or other persons designated by the shareholders and they must have the proper experience and knowledge in order to be able to receive the Alternative Investment Fund Manager reports and of the consultants and, based on the information received, judge the merits of the management of Fondul Proprietatea within the limits of the objectives and principles set by the investment policy as well as by the applicable laws and regulations. Also, the members of the Board of Nominees have to be qualified properly in order to decide (if there is need with the support of an independent consultant) if the transactions proposed by the Alternative Investment Fund Manager needing the approval of the Board of Nominees are made to the advantage of the shareholders.

(3) The mandate of the members of the Board of Nominees is of 3 years, period to be extended by right, by the first meeting of the General Meeting of the Shareholders.

(4) The Board of Nominees elects from amongst its members a chairman of the Board.

ARTICLE 16 Functioning

(1) The meetings of the Board of Nominees are held at least once every quarter, however they may be called upon whenever needed. The call for the meeting of the Board of Nominees is made by the chairman, any of its members or upon the request of the Alternative Investment Fund Manager. The Board of Nominees shall meet in at most 7 days as of the calling.

(2) The Chairperson of the Board of Nominees or, during his/her absence, a member of the Board of Nominees appointed through vote by the other members to chair the meeting, ensures the proper unfolding of the meetings. The meetings of the Board of Nominees shall be held at the headquarters of Fondul Proprietatea or at such other location as may be agreed among the members of the Board of Nominees or by means of electronic communications (e.g. telephone, videoconference).

(3) The Board of Nominees takes valid decisions provided the absolute majority of its members. The members of the Board of Nominees may be represented to the meetings of the Board of Nominees only by other members of the Board of Nominees on the basis of a special written empowerment, presented in its original form at the beginning of the meeting. One member of the Board of Nominees may represent only one absent member. The decisions of the Board of Nominees shall be taken with the absolute majority of the votes of its members and are signed by all the members which participated to the meeting. If some of the members of the Board of Nominees have been represented, the empowerment will be annexed to the minute of the

meeting.

(4) If the absolute majority condition cannot be fulfilled to have the quorum for taking a decision, the chairperson of the Board of Nominees shall give notice for a second meeting of Board of Nominees, having the same agenda as the first, in order to discuss this agenda. If the absolute majority condition cannot be fulfilled to have the quorum for taking a decision for three consecutive times, the chairperson of the Board of Nominees shall ask the Alternative Investment Fund Manager to convoke the general meeting of the shareholders in order to properly decide on the respective decisions; in case that the Alternative Investment Fund Manager does not convoke it, any of the members of the Board of nominees will be in his right to convoke the general meeting.

(5) In case of vacancy of the seat of one or more members of the Board of Nominees, the general meeting of the shareholders shall immediately convoke for the appointment of new members. For the period in time by the decision of the general meeting, the other members of the Board of Nominees will nominate members ad interim to fulfil the vacant positions. The decision of the Board of Nominees on nominating members ad interim will be communicated to the Alternative Investment Fund Manager, the auditor and will be filed with the Trade Register.

ARTICLE 17

Attributions of the Board of Nominees

The Board of Nominees has the followings duties and functions:

(1) Following the information received from the Alternative Investment Fund Manager with regard to the summoning of the ordinary and/or extraordinary general meeting of the shareholders requests, if it deems necessary, the insertion of supplementary matters in the text of the calling notice of the general meeting of shareholders;

(2) Receives from the Alternative Investment Fund Manager the information in connection with the answers to the written requests submitted before the date of the general meeting of the shareholders, by the shareholders on topics regarding Fondul Proprietatea's activity;

(3) Receives from the Alternative Investment Fund Manager the annual financial statements, the annual activity report presented by the Alternative Investment Fund Manager and the financial auditors' report, before being made available to the shareholders and analyses them, being able to formulate an opinion to be presented to both the Alternative Investment Fund Manager and the general meeting;

(4) Receives from the Alternative Investment Fund Manager for analysis the annual report and the management policy of Fondul Proprietatea and presents an opinion to the Alternative Investment Fund Manager and to the general meeting of the shareholders regarding such;

(5) Receives from the Alternative Investment Fund Manager for analysis the yearly income and expenditure budget before it is submitted to the approval of the general meeting of shareholders and presents an opinion to the Alternative Investment Fund Manager and to the general meeting of the shareholders regarding such;

(6) Receives from the Alternative Investment Fund Manager for analysis the strategy in accordance with the Fondul Proprietatea's investment policy before to be submitted to the approval of the general meeting of the shareholders and presents an opinion to the Alternative Investment Fund Manager and to the general meeting of the shareholders;

(7) Receives from the Alternative Investment Fund Manager for analysis and approves the framework for carrying out Fondul Proprietatea's operations, as well as any other Fondul Proprietatea's regulations issued by Alternative Investment Fund Manager according to legal provisions in force, capital market rules and regulations;

(8) Receives from the Alternative Investment Fund Manager for analysis the proposal to the ordinary general meeting of the shareholders for the conclusion of the financial audit agreement and presents an opinion to the Alternative Investment Fund Manager and to the general meeting of the shareholders;

(9) Reviews on a regular basis the investment policy of Fondul Proprietatea and presents an opinion to the Alternative Investment Fund Manager and to the general meeting of the shareholders as any time it deems necessary, but in any case, at least once a year to the annual ordinary meeting;

(10) Receives the report of the internal auditor and presents an opinion to the Alternative Investment Fund Manager and to the general meeting of the shareholders;

(11) Monitors the following, based on information and reports received from the Alternative Investment Fund Manager:

- the list of all portfolio investments and percentage breakdown by each investment type;
- a list of major transactions occurring in the Fondul Proprietatea portfolio for the period under review;
- the total profit of the portfolio companies and comparison with the appropriate market benchmark;
- comparison of the obtained profit with the initial objective;
- the extent of compliance with the investment policy, including, specifically, the degree to which any performance objectives set out therein are achieved, as well as any variations and actions taken to achieve such objectives and improve investment results;
- the performance evaluation report.

The Board of Nominees shall draft and present to the general meeting of the shareholders an annual report regarding the monitoring activity performed or a monitoring report for another period agreed by the general meeting of shareholders.

(12) Represents the general meeting of the shareholders in relation with the Alternative Investment Fund Manager from the communication point of view between the two corporate bodies, except for the cases expressly regulated by this constitutive act as a direct communication between the general meeting and the Alternative Investment Fund Manager;

(13) Verifies the report of the Alternative Investment Fund Manager and the exercise of the permanent monitoring over the management of Fondul Proprietatea by the Alternative Investment Fund Manager, and verifies if the operations carried on by the Alternative Investment Fund Manager are in compliance with the applicable law, the constitutive act and/or with any relevant decision of the general meeting of the shareholders;

(14) Under the conditions of art. 13 paragraphs (11) and (14) calls upon the general meeting of the shareholders;

(15) Participates to the meetings of the general shareholders' meetings and presents in this meeting reports in all cases provided by this constitutive act or with regard to any issue it deems to be relevant for the shareholders;

(16) Proposes to the general meeting of shareholders the prior approval or rejection of the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables;

(17) Recommends to the General Meeting of the Shareholders the termination of the management contract for the case when the Board of Nominees is considered is to the benefit of the shareholders;

(18) Recommends to the general meeting of the shareholders on any other issues the Board of Nominees is considered relevant to the shareholders;

- (19) Following of proposal of Alternative Investment Fund Manager, recommends to the Extraordinary General Meeting of the Shareholders the appointment of the public offer intermediate, as well as on his remuneration, when it will become necessary that such a company be appointed related to the admission to trading of Fondul Proprietatea;
- (20) Approves the delegation by the Alternative Investment Fund Manager of certain activities. The delegation shall be effective in accordance with the legal provisions in force;
- (21) Is responsible for monitoring the Alternative Investment Fund Manager performance according to the Management Agreement.

ARTICLE 18

The obligations of the members of the Board of Nominees

- (1) The members of the Board of Nominees have diligence and loyalty duties towards the shareholders of Fondul Proprietatea.
- (2) The members of the Board of Nominees are held liable towards the general meeting of the shareholders of Fondul Proprietatea, in accordance with the mandate rules. The decisions of the members of the Board of Nominees will be taken after due enquiries into the relevant circumstances existing at the specific moment at which such decisions have been taken.
- (3) The members of the Board of Nominees cannot disclose the confidential information and the commercial secrets of Fondul Proprietatea, to which those persons have access. Such obligation remains in force as well as after the termination of the mandate.
- (4) If a member of the Board of Nominees has, directly or indirectly, adverse interest to the interest of Fondul Proprietatea, in a certain operation, that member must give notice of such situation to the other members and to the internal auditors and not take part in any deliberation regarding that operation.
- (5) The same obligation must be observed by the member of the Board of Nominees, who acknowledges that in a certain operation, his/her wife or husband, relative or related persons by the 4th grade inclusive are interested.
- (6) The prohibitions stipulated in paragraphs (4) and (5) regarding the participation, deliberation and voting of the members of the Board of Nominees, are not applicable if the vote refers to:
- a) the offer of shares or obligations of Fondul Proprietatea for subscription, to a member of the Board of Nominees or to the persons mentioned in paragraph (5);
 - b) the granting by a member of the Board of Nominees or by the persons mentioned in paragraph (5) of a loan or establishing a guarantee in favour of Fondul Proprietatea.
- (7) The member of the Board of Nominees not observing the provisions of paragraphs (4) and (5) is held liable for the damages caused to Fondul Proprietatea.
- (8) It is forbidden the crediting by the Fondul Proprietatea of the members of the Board of Nominees, through operations such as:
- a) granting loans;
 - b) granting financial facilities for or after the conclusion by Fondul Proprietatea with the members of delivery operations of goods, providing of services or performance of works;
 - c) direct or indirect guarantee, in whole or in part, of any loans granted to the member of the Board of Nominees, concomitant or after granting the loan;
 - d) direct or indirect guarantee, in whole or in part, of performance by the members of any other personal obligation of those towards third parties;
 - e) direct or indirect guarantee, in whole or in part, of any receivables having as object a loan granted by a third party to the members of the Board of Nominees or other personal service of those members.
- (9) The provisions of paragraph (8) are applicable and the operations in which the husband or

wife, relatives or related persons by the 4th grade inclusive of the members of the Board of Nominees are interested; also, if the operation concerning a civil or a commercial company at which one of the persons above mentioned is director or holds, solely or together with one of the persons above mentioned, a quota of at least 20% of the value of the subscribed share capital.

(10) The provisions of paragraph (8) are not applicable for the case when the operation is concluded by Fondul Proprietatea during its current business, and the clauses of the operations are not more favourable to the persons specified in paragraphs (8) and (9) than the ones usually practiced by Fondul Proprietatea towards third parties.

(11) The Board of Nominees shall promptly decide on all requests for approval from the Alternative Investment Fund Manager within a reasonable time frame to allow the Alternative Investment Fund Manager to comply with its own obligations.

CHAPTER VI

Provisions regarding the company's management

ARTICLE 19

Organisation

(1) Shareholders of Fondul Proprietatea designate the Alternative Investment Fund Manager (AIFM) for the purpose of managing it. The AIFM has also the sole director role.

(2) The Alternative Investment Fund Manager is elected by the general meeting of the shareholders, with the observance of the legal provisions and of this constitutive act.

(3) The mandate of the AIFM shall not exceed 4 years, with the possibility of re-election. The AIFM will call an Ordinary General Meeting of Shareholders to be held at least 6 months before the expiry of the mandate of AIFM and will ensure that the agenda of the ordinary general shareholders meeting will include points granting the options to (i) approve the renewal of the AIFM's mandate, (ii) appoint a new AIFM in accordance with the legal provisions in force, with the shareholders being granted the opportunity to propose candidates for such position; the agenda will also include provisions for the authorization of the negotiation and execution of the relevant investment management agreement and fulfilment of all relevant formalities for the authorization and legal completion of such appointment.

(4) The AIFM must expressly accept such position, by executing the management agreement and must have in place professional liability insurance.

(5) The Management Agreement can be modified or replaced in accordance with articles 12 and 14, with the approval of the shareholders. Any replacement document or addendum of the Management Agreement will be signed on behalf of Fondul Proprietatea by the chairman of the Board of Nominees or by a member of the Board of Nominees empowered by the chairman.

(6) The rules for remuneration of the Alternative Investment Fund Manager and the size of administration fees are included in the remuneration policy and the remuneration policy is approved by ordinary general meeting of shareholders, at least once at four years. The annual size of the administration fees is included in annual budget and approved by the ordinary general meeting of shareholders according to the legislation in force.

ARTICLE 20

Functioning

The Alternative Investment Fund Manager shall appoint a natural person as its permanent representative. The Alternative Investment Fund Manager shall also appoint a natural person as the replacement for the permanent representative, to perform the duties of the permanent representative in case inability to carry out his/her activities. The Alternative Investment Fund Manager can change the permanent representative and/or the replacement in accordance with the applicable law. All changes will be registered with the Trade Registry.

ARTICLE 21

Attributions of the Alternative Investment Fund Manager

(1) The management of Fondul Proprietatea is ensured by the Alternative Investment Fund Manager, which fulfils the necessary and useful operations for the fulfilment of the company's business object, except of the operations reserved by the law for the general meeting of the shareholders and has all the obligations attributed to it by the applicable law.

(2) The Alternative Investment Fund Manager exercises its attributions under the control of the general meeting of the shareholders and the monitoring of the Board of Nominees, according to article 17.

(3) In addition to the duties provided by the applicable law, the Alternative Investment Fund Manager shall propose for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders of Fondul Proprietatea, the general strategy in accordance with the investment policy of Fondul Proprietatea and it is responsible for the implementation of the investment policy and for achieving a proper balance between the profits and the risks related to the Fondul Proprietatea portfolio. The Alternative Investment Fund Manager undertakes to inform the Board of Nominees regularly, and as and when required by the Board of Nominees, about any significant changes in the activities of Fondul Proprietatea and within the structure of its portfolio.

(4) In excess of the duties provided by the applicable law, the Alternative Investment Fund Manager shall be liable to:

(i) establish a reference date for shareholders entitled to vote within the general meeting, under the law, and draft the text of the announcement on the convocation of the general meeting, after obtaining the prior approval of the Board of Nominees and after it added to the agenda the matters requested by the Board of Nominees;

(ii) upon the written request of any shareholder submitted before the date of the general meeting of the shareholders, to give responses regarding the aspects concerning the business of Fondul Proprietatea; such responses shall be notified to the Board of Nominees;

(iii) ensure that, if requested by any of the shareholders, a copy of or extract of the minutes of the general meeting shall be given to them and also, after the announcement of the ordinary annual general meeting of the shareholders is published, make available to the shareholders the financial statements of the company and the reports of the AIFM and of the company's financial auditors;

(iv) prepare the annual financial statements, draft the annual activity report, examine the financial auditors' report, present them to the Board of Nominees before submitting such documents to the general meeting of the shareholders and make proposals on the distribution of the profit to the general meeting of the shareholders, after obtaining the prior approval of the Board of Nominees;

(v) manages the relationship with the Central Depository with regard to its shareholders

register functions;

(vi) prepare an annual report on the management and the business policy of Fondul Proprietatea, to be presented to the Board of Nominees for approval prior to its submission to the general meeting of the shareholders;

(vii) proposes for the prior approval of the Board of Nominees and further, of the general meeting of the shareholders, of the yearly income and expenditure budget and business plan;

(viii) approves the outsourcing of certain activities, within the limits of the approved budget, respectively the delegation of the performance of certain activities, subject to the observance of the applicable legislation;

(ix) based on the proposal of the Board of Nominees to submit to the approval of the extraordinary general meeting of shareholders the execution of contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value exceeds, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables;

(x) execute contracts for acquiring, selling, exchanging or for creating pledges, having as subject non-current assets of Fondul Proprietatea, whose value does not exceed, individually or cumulatively during a financial year, 20% of the total value of the non-current assets of Fondul Proprietatea, less receivables, without the approval of the ordinary or extraordinary general shareholders' meeting;

(xi) propose to the ordinary general meeting of the shareholders the conclusion of the financial audit agreement according to the legal provisions in force, upon obtaining the prior approval of the Board of Nominees, as well as approve the procedure of internal audit and the audit plan;

(xii) decide the relocation of the registered office, provided that the registered office shall at all times be registered in Romania;

(xiii) make available to the Board of Nominees the reports, as well as other necessary documents for exercising the monitoring duties, in accordance with art. 17 paragraph (11);

(xiv) inform at once the Board of Nominees of any litigation or infringement of legislation regarding Alternative Investment Fund Manager, any operation which might be an infringement to the investment policy and about the plans/ correction measures for approaching these matters;

(xv) ask for the calling of the general meeting which shall decide properly whenever an issue appears on which the Board of Nominees has a disagreement with the Alternative Investment Fund Manager, which cannot be resolved amiably;

(xvi) proposes to Board of Nominees the recommendation for the Extraordinary General Meeting of the Shareholders for the appointment of the investment firm/investment bank who shall manage a public offer, as well as on its remuneration, when it will become necessary that such a company be appointed related to the admission to trading of Fondul Proprietatea;

(xvii) approve any related parties transactions, and, if the related parties transactions' value is greater than 0.25% of the net asset value, to ask for the Board of Nominees' approval, and, if the related parties transactions' value is greater than 5% of the net asset value, to convene the GSM.

(5) For the avoidance of any doubt, in fulfilling the obligations listed under paragraph (4) of this Article 21, the Alternative Investment Fund Manager acts mainly in its capacity as sole director according to the applicable Romanian legislation.

ARTICLE 22

The obligations of the Alternative Investment Fund Manager

- (1) The Alternative Investment Fund Manager has a diligence and loyalty duty towards Fondul Proprietatea. Such duty is exercised taking into consideration the interest of the shareholders generally, and not of some of them.
- (2) The Alternative Investment Fund Manager is held liable towards Fondul Proprietatea, according to the law. The decisions of the Alternative Investment Fund Manager are taken after due enquiries regarding the relevant circumstances existing at the moment of which those decisions are taken.
- (3) The Alternative Investment Fund Manager cannot disclose confidential information or commercial secrets of Fondul Proprietatea, to which it has access. Such obligation remains also after the termination of the mandate.
- (4) If the Alternative Investment Fund Manager, respectively its permanent representative and its employees, have in a certain operation, directly or indirectly, adverse interest to the interest of Fondul Proprietatea, the Alternative Investment Fund Manager must give notice to the internal auditors and Board of Nominees of this issue and not take part in any deliberation concerning the specific situation.
- (5) The same obligation must be observed by the Alternative Investment Fund Manager, respectively by its permanent representative and its employees if, in a certain operation, is being aware that an affiliate of the Alternative Investment Fund Manager or the wife or husband, relatives or related persons by the 4th grade inclusive of the representative and its employees, are interested.

ARTICLE 23

Representation of Fondul Proprietatea

- (1) In relations with third parties, Fondul Proprietatea is represented by the Alternative Investment Fund Manager, respectively by its permanent representative.
- (2) The Alternative Investment Fund Manager may delegate the representative powers, in accordance with the applicable law.

CHAPTER VII

The audit of Fondul Proprietatea

ARTICLE 24

The internal auditors and the financial audit

- (1) The financial statements of Fondul Proprietatea are subject to financial audit in accordance with the applicable laws and regulations. Also, Fondul Proprietatea shall organise its internal audit in accordance with the legal provisions in force.
- (2) The internal audit activity for Fondul Proprietatea will be rendered by a third party on a contractual basis, in accordance with the applicable legal provisions.
- (3) The internal audit is independent of the management of Fondul Proprietatea, and the internal auditors shall objectively exercise this activity.
- (4) The internal audit shall evaluate and shall propose the improvement of the risk management, the control and internal rules within Fondul Proprietatea.
- (5) The internal auditors shall not be subject of any interference in determining the purpose of the internal audit and in exercising their activity.

- (6) The internal auditors shall have an impartial, correct attitude and shall avoid the conflicts of interest.
- (7) The internal audit shall transmit the plans of the internal audit activity and the necessary resources, inclusive the significant interim changes, to the Board of Nominees for information, as well as to the Alternative Investment Fund Manager for approval within the limits of its competencies.
- (8) The internal audit shall establish the policies and procedures for exercising the internal audit activity within Fondul Proprietatea, comprising amongst others, the analysis of the decisions taken by the company's management and the control of their compliance with the statutory requirements and/or with other documents approved by the general meeting of the shareholders.
- (9) The internal audit shall coordinate its activity with the financial auditor, in order to ensure the proper fulfilment of the audit objectives and to minimize any duplication of attributions.
- (10) The internal audit shall present periodical reports to the Board of Nominees of Fondul Proprietatea and the Alternative Investment Fund Manager regarding the purpose of the internal audit activity, authority, responsibility and performance according to its internal audit plan. The reports shall include also the significant risks and aspects of the control and management, as well as other necessary problems or as requested by the Board of Nominees and the Alternative Investment Fund Manager.
- (11) The internal audit shall verify if the management of Fondul Proprietatea has taken appropriate measures concerning the reported significant risks or if the Alternative Investment Fund Manager has accepted the risk of not taking any measure and shall inform the Board of Nominees and the general meeting of the shareholders if the Alternative Investment Fund Manager has accepted the reported significant risks.
- (12) The internal audit shall establish the procedures for monitoring the implementation of the measures taken by the management of Fondul Proprietatea.
- (13) The internal auditors shall notify the Board of Nominees and the Alternative Investment Fund Managers with respect to any flaws in the management or breaches of the legal provisions or of the constitutive act, where such are identified by the internal auditors; the significant cases shall be notified to the general meeting of the shareholders.
- (14) The internal auditors shall take into consideration the complaints of the shareholders when drafting the reports addressed to the general meeting of the shareholders.
- (15) The attributions, duties and the functioning way of the internal auditors, as well as their rights and obligations are completed with the legal provisions in this area.

CHAPTER VIII

Business of Fondul Proprietatea

ARTICLE 25

Financing its own business

For the fulfilment of the business object and in accordance with the attributions established, Fondul Proprietatea uses the financial sources established pursuant to the law, banking credits and other financial sources. Fondul Proprietatea is not allowed to conclude loan agreements for investment reasons.

ARTICLE 26

Financial year

The financial year begins on 1 January and terminates on 31 December of each year.

ARTICLE 27

Accounting evidence and annual financial statements

- (1) The accounting is kept in Romanian language and in national currency.
- (2) Fondul Proprietatea must draft the annual financial statements according to legal provisions in force and to the applicable accounting and financial reporting standards.

ARTICLE 28

Calculation and distribution of the profit

- (1) The result of the financial year is determined at the end of the year and represents the final balance of the profit and loss account.
- (2) The net accounting profit of Fondul Proprietatea, as reflected in the audited financial statements, shall be distributed according to the decision of the general meeting of the shareholders and to the legal provisions in force.
- (3) Fondul Proprietatea creates the legal reserves and any other reserves, pursuant to the law.
- (4) The payment of dividends owed to the shareholders is made by Fondul Proprietatea, according to the law.
- (5) The dividends are distributed to the shareholders proportional with the number of paid shares held at the relevant record date.
- (6) In case of loss of the net asset, the general meeting of the shareholders shall analyse the causes and decide properly, according to the law.

ARTICLE 29

Registries

Fondul Proprietatea shall maintain, by care of the Alternative Investment Fund Manager, all registries provided by the law. The shareholders registry is kept by the Central Depository SA.

CHAPTER IX

Association, change of the legal form, dissolution and liquidation, litigation

ARTICLE 30

Association

- (1) Fondul Proprietatea may set-up, solely or together with other Romanian or foreign natural persons or legal entities, other companies or legal entities, according to the law and to this constitutive act.
- (2) The conditions for the participation of Fondul Proprietatea at the setting-up of new legal entities shall be regulated by the constitutive acts, which to be approved by the general meeting of the shareholders.

ARTICLE 31

Dissolution

- (1) The dissolution of Fondul Proprietatea shall take place in the following cases:
- a) impossibility of performing the company's business object;
 - b) declaring the company's nullity;
 - c) by decision of the extraordinary general meeting of the shareholders, in accordance with article 14;
 - d) as consequence of losses, as reflected in the audited financial statements, if the net asset value, determined as difference between the total asset and company's debts, represents less than half of the value of the subscribed share capital and if, not later than the termination of the financial year subsequent to the one during which the losses have been ascertained, the general meeting of the shareholders fails to decrease the share capital with an amount at least equal with the one of losses which could not be covered from reserves or to reconstitute the company's net asset up to the value at least equal with half of the subscribed share capital;
 - e) opening of the bankruptcy procedure;
 - f) the number of shareholders reduces under the legal minimum;
 - f¹) expiration of the duration of Fondul Proprietatea, if the extraordinary general meeting of shareholders of Fondul Proprietatea does not decide the extension of the duration, in accordance with Article 4;
 - g) other causes provided by the law or by this constitutive act.
- (2) The dissolution of Fondul Proprietatea cannot take place before the finalisation of the procedures for granting indemnities to the rightful persons.
- (3) The dissolution decision of Fondul Proprietatea must be registered with the commercial registry and published in the Official Gazette of Romania, Part IV.

ARTICLE 32

Liquidation

- (1) The dissolution of Fondul Proprietatea has as consequence the opening of the liquidation procedure and, irrespective of the reasons for dissolution of the Company, Fondul Proprietatea will be wound up only after finalising the related procedures, in accordance with the law.
- (2) The shareholders cannot, directly or indirectly, redeem their shares from Fondul Proprietatea's assets prior to the start of the liquidation procedure.
- (3) The liquidation of Fondul Proprietatea and distribution of the patrimony are made in accordance with the law.

ARTICLE 33

Calculation method of the net asset

- (1) For the calculation of the net assets value of Fondul Proprietatea, the portfolio holdings are valued and included in the Fund's net asset at the values established according to the accounting and legal regulations in force. The net asset value of the Fund is determined as the difference between the total assets value and the aggregate value of the Fund's debts and deferred income. In the calculation of the aggregate value of debts are included both current and non-current debts, as well as the provisions booked by Fondul Proprietatea.
- (2) The total value of the assets is calculated according to the legal regulations in force, by cumulating:
- a) non-current assets;

- b) current assets;
- c) derivatives;
- d) deferred expenses.

(3) The total value of debts, provisions and deferred income is determined based on information provided by Fund's own accounting organised and managed in accordance with the legal provisions in force.

(4) The calculation of the net assets value is prepared by the Fund's Sole Director and certified by the depositary bank on a monthly basis, for the last calendar day of the month, and for the dates when a share capital increase or decrease takes place respectively the dates when such share capital increase or decrease is recorded to Trade Registry.

ARTICLE 34

Prudential rules concerning the investment policy

(1) The investment policy is established by the Alternative Investment Fund Manager, with the observance of the investment limitation provided by the legal provisions in force for a diversified closed-ended alternative investment fund set up as a joint stock investment company addressed to retail investors and of this Constitutive Act.

(2) Fondul Proprietatea shall be subject to the investment restrictions and can invest only in the categories of assets according to the provisions applicable to a diversified closed-ended alternative investment fund set up as a joint stock investment company addressed to retail investors according to legislation in force.

(3) Subject to the terms of this Constitutive Act, of the Management Agreement and the applicable law, all decisions in relation to the acquisition of, disposal of, and exercise of all rights and obligations in relation to the assets of Fondul Proprietatea shall be at the sole discretion of the Alternative Investment Fund Manager.

(4) Prudential rules concerning the investment policy will be approved by the shareholders through Investment Policy Statement.

(5) The detailed presentation of the investment policy and the rules for pricing the assets of the Company, drafted in line with Romanian and European legislation in force, are included in rules of the Fund and are published by the AIFM on the website of the Company.

ARTICLE 35

Conditions for the replacement of the depositary

(1) Fondul Proprietatea shall conclude a depositary agreement with a depositary legal entity authorised and supervised by the Financial Supervisory Authority, which performs the depositary operations of securities, as well as any operations in connection with those. The activities to be developed by the depositary and the conditions for its replacement shall be provided in the depositary agreement.

(2) The depositary agreement shall mandatorily include clauses related to the replacement of the depositary and rules for ensuring shareholders' protection in such situations, as well as other mandatory clauses in accordance with the applicable regulations.

ARTICLE 36

Identity, requirements regarding the qualification, professional experience and integrity of the management members

(1) The Alternative Investment Fund Manager, respectively its permanent representative shall cumulatively fulfil with the minimum requirements regarding the integrity, qualification and professional experience provided in the legislation and in other specific provisions; the identity of the Alternative Investment Fund Manager is the one registered with the National Office of Trade Registry, based on the decision of the general meeting of the shareholders regarding its election.

ARTICLE 37

Litigations

The litigations of any type shall be amiably resolved and if this is not possible, they shall be solved by the competent arbitral or judicial courts.

CHAPTER X

Final provisions

ARTICLE 38

Final provisions

The provisions of this constitutive act are completed by the provisions of Company Law No. 31/1990, republished, as further amended and completed, and other applicable legal provisions in force as well as by the provisions of the capital market legislation governing the issuers whose shares are admitted on trading.

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Annex 7 Annual Cash Distribution Policy of Fondul Proprietatea in force as at 31 December 2025

- Updated as of 18 December 2023 -

1. Scope

In order to comply with the requirements of Bucharest Stock Exchange Code of Corporate Governance and in accordance with the Investment Policy Statement (“IPS”), Fondul Proprietatea SA (the “Fund”) decided to adopt this Annual Cash Distribution Policy (“ACDP”).

The scope of this Policy is to set a series of guidelines and principles on the cash distributions made by the Fund.

2. General principles

In accordance with the IPS, the Alternative Investment Fund Manager (the “Fund Manager”) may propose cash distributions for shareholders’ approvals. The level of such cash distributions is proposed by the Fund Manager by applying this ACDP and in correlation with the other on-going Discount Control Mechanism measures (*e.g.* buy-backs).

The Fund Manager intends to recommend to shareholders for their approval cash distributions, on an annual basis, subject to applicable law and necessary approvals, to any restrictions under Romanian legal or tax regulations and subject to available financing sources.

Under exceptional market conditions or circumstances (*e.g.* events that may significantly impact the discount), the Fund Manager may propose a change of the mix of cash distribution and share buy-backs to allocate more of the distributable cash towards share buy-backs, if it considers this to be in the best interest of the Fund’s shareholders to enhance shareholder value.

ACDP does not limit additional cash distributions and share buy-backs that can be recommended by the Fund Manager separately, subject to available financing sources, regulatory and corporate approvals and depending on the discount level, in accordance with the IPS and the Discount Control Mechanism.

The Fund Manager will include in its periodical reports (annual report, quarterly reports and semi-annual report) as well in the announcement (‘current report’) for completing a certain material transaction the use of proceeds from such transaction.

3. Cash distributions

Under current Romanian legislation and of the Constitutive Act, each fully paid share gives its owner the right to receive cash distributions (in the form of dividends or other types of cash distributions, such as return of capital). Unpaid shares and treasury shares will not be entitled to receive cash distributions.

Cash distributions are paid to the shareholders on a pro rata basis, proportionately to their participation in the paid share capital of the Fund.

a. Dividend distributions

In the absence of exceptional market conditions or circumstances, and subject to any restrictions under Romanian legal or tax regulations and subject to available financing sources, in case of dividend distributions (where permitted by applicable law), the distributable amount is calculated by the Fund Manager and proposed for shareholders' approval as sum of the following elements:

- i. the Fund's annual dividend income from portfolio companies, except special cash distributions,
- ii. plus interest on cash balances,
- iii. less operating and financing expenses and taxation and
- iv. less compulsory allocations to reserves according to the regulations in force.

For the purpose of this policy, 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.

The Fund Manager may propose the level of any dividends by considering the on-going measures imposed by Discount Control Mechanism and the available cash.

Any dividend distribution will be based on audited financial statements and will be submitted to shareholders approval generally during the Annual GSM. The Fund Manager does not intend to propose interim or quarterly dividends.

The dividends computed in accordance with the principles above can be distributed from the annual profits and/ or from other equity elements (*e.g.* retained earnings) by observing the applicable legal requirements.

b. Return of capital

In case of a return of capital, the distributable amount is subject to the restrictions under Romanian legislation and regulations in force and to available funding and will be based on the Fund Manager's best estimate according to the latest available financial statements at the time of proposing the respective distribution for the shareholders' approval.

According to Article 29 of the Romanian Law no. 243/2019 on alternative investment funds, amending and supplementing certain normative acts the return of capital can be done as mentioned below:

- ✓ With the purpose to decrease its share capital, the Fund may perform, only once during the financial year, share capital returns *pro rata* with the contributions made by the investors, subject to the approval of the extraordinary general meeting of shareholders, in accordance with the Romanian legal provisions in force.
- ✓ By way of exception from the provisions above, with the purpose to decrease its share capital, the Fund can perform additional share capital returns *pro rata* with the shares held by the investors, if the following conditions are cumulatively met:
 - a) the share capital return is approved by the Fund shareholders meeting held according to the provisions of Romanian legislation in force;

- b) the share capital return to shareholders is made exclusively from the own sources of the Fund;
 - c) the Fund has recorded profit in the last 3 financial years, according to its annual financial statements audited according to the law.
- ✓ The Fund may repurchase its own shares with the purpose to decrease its share capital if the following conditions are cumulatively met:
- a) the buy-back programme is approved by the Fund shareholders meeting held according to the provisions of Romanian legislation in force;
 - b) the payment of the shares thus purchased will be made exclusively from the own sources of the Fund.

4. Payment of Cash Distributions

The cash distributions will be proposed by the Fund Manager and paid in compliance with the General Shareholders Meeting Resolutions under the terms and conditions provided by Romanian law. The Fund publishes information on the payment of dividends and other cash distributions to shareholders on the Fund's website (www.fondulproprietatea.ro) in compliance with the effective laws.

5. Review of the Annual Cash Distribution Policy

The ACDP may be revised by the Fund Manager after the consultation with the Board of Nominees, on an annual basis, in compliance with the applicable law and regulations or in case of new regulations or mandatory legal provisions regarding the scope of the policy. The current Policy is published on the Fund's website (www.fondulproprietatea.ro) and any update to the Policy shall be disseminated to the market and uploaded on the website.