

To: **Bucharest Stock Exchange**
Financial Supervisory Authority
London Stock Exchange

Current report according to Article 99 letter (s) of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments

Important events to be reported:

Voting recommendations and supporting materials related to the 18 August 2023 ordinary shareholders' meeting

Franklin Templeton International Services S.À R.L., in its capacity as alternative investment fund manager and sole director (the "**Fund Manager**") of Fondul Proprietatea S.A. (the "**Fund**"), would like to remind shareholders that the Fund Manager has summoned the Fund's Ordinary General Shareholders' Meeting ("**OGM**") for 18 August 2023 at "**Radisson Blu**" Hotel, 63-81 Calea Victoriei Street, Atlas Room I, 1st District, Bucharest, 010065, Romania, starting at 11.00 a.m. (Romanian time).

The entire OGM supporting documentation is available for the shareholders' reference at [2023 | Fondul Proprietatea](#).

The deadline for proposing new items on the OGM agenda expired on 31 July 2023 and by the deadline the Fund received a request from the Ministry of Finance, which holds more than 5% of the share capital of Fondul Proprietatea, to supplement the OGM agenda by introducing a new item. The OGM agenda was supplemented accordingly.

Regarding the points on the OGM agenda, the Fund Manager reiterates the clarifications made in the current report published on 1 August 2023 –: <https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/investor-reports/2023/supplemented%20CN%20OGSM%2018%20Aug.pdf>.

With respect to the first two items on the OGM agenda, the Fund Manager would like to clarify that **only one of the two items can be implemented and consequently shareholders should vote in favour of only one of the items.**

The above clarification is based on the following considerations:

- (i) The Extraordinary General Shareholders' Meeting Resolution no. 3 made on 15 November 2022 approved that the amounts resulting from the partial or entire sale of the package of shares held by the Company in SOCIETATEA DE PRODUCERE A ENERGIEI ELECTRICE IN HIDROCENTRALE "HIDROELECTRICA" S.A. (the "**Shares**") further to the initial public offering (the „**Offer**"/ „**IPO**") shall be distributed to the

Report date:
3 August 2023

Name of the issuing entity:
Fondul Proprietatea S.A.

Registered office:
76-80 Buzesti Street
7th floor, district 1,
Bucharest, 011017

Phone/fax number:
Tel.: + 40 21 200 96 00
Fax: +40 31 630 00 48

Email:
office@fondulproprietatea.ro

Internet:
www.fondulproprietatea.ro

Sole Registration Code with the Trade Register Office:
18253260

Order number in the Trade Register:
J40/21901/2005

Subscribed and paid-up share capital:
RON 3,233,269,110.76

Number of shares in issue and paid-up:
6,217,825,213

Regulated market on which the issued securities are traded:
Shares on Bucharest Stock Exchange
GDRs on London Stock Exchange

Company's shareholders as special dividend within 3 months of the collection of that amount by the Company (the „**November EGM Resolution**”);

(ii) Further to the IPO, the Company collected **gross proceeds of RON 8,064,301,072** following the settlement of the Offer comprised of 78,007,110 Shares sold by the Company, **excluding** any Over-Allotment Option (as defined below) as announced through the current report on 10 July 2023 - <https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/investor-reports/2023/IPO%20Hidro%20Settlement.pdf> ;

(iii) On 12 July 2023, the Fund Manager published the convening notice for the OGM whereby it proposed the distribution of a dividend of **RON 1.4942** per share payable from the proceeds set out under paragraph (ii) above, i.e. **RON 8,064,301,072**;

(iv) Following the exercise by the Stabilisation Agent (as defined in the Offer prospectus) of the option (the „**Over-Allotment Option**”) representing 11,701,067 Shares as announced through the current report on 19 July 2023 <https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/investor-reports/2023/End%20of%20Stabilization%20H2O.pdf>, the Company collected **additional gross proceeds of RON 1,216,910,968**,

which, **together** with the gross proceeds of RON 8,064,301,072 set out under paragraph (ii) above represent a **TOTAL amount of gross proceeds of RON 9,281,212,040** following the sale of the all the Shares held by the Company in Hidroelectrica.

(v) The item added on the agenda of the OGM further to the request of the Ministry of Finance includes the proposal for the distribution of a dividend of **RON 1.7225** per share payable from the **TOTAL** gross proceeds following the sale of all the Shares held by the Company in Hidroelectrica, i.e. **RON 9,281,212,040** (as announced through the current report on 28 July 2023 - <https://www.fondulproprietatea.ro/files/live/sites/fondul/files/en/investor-reports/2023/request%20supplement%20OGSM.pdf>) ;

As such, **the two dividends proposed cannot be cumulated** as only one of the two dividends can be paid by the Company based on the available retained earnings and available cash.

Johan MEYER
Permanent Representative

