

To: Bucharest Stock Exchange
Financial Supervisory Authority
London Stock Exchange

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

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Important events to be reported:

Pricing and allocation of the initial public offering of S.P.E.E.H. Hidroelectrica S.A. (“Hidroelectrica”)

Franklin Templeton International Services S.À R.L. (“**FTIS**”), in its capacity of alternative investment fund manager and sole director of Fondul Proprietatea S.A. (the “**Fund**”/ “**Fondul Proprietatea**”), and further to the launch announcement published on 22 June 2023, informs the market and the Fund’s investors of its agreement to sell 78,007,110 existing ordinary shares (“**Offer Shares**”), excluding any Over-Allotment Option (as defined below) in the initial public offering by the Fund of Hidroelectrica’s shares (the “**IPO**”, “**Offering**” or “**Offer**”).

The Final Offer Price was determined at RON 104 per Offer Share.

The Fund has granted the Joint Global Coordinators an option (the “**Over-Allotment Option**”), representing 11,701,067 Shares, exercisable in whole or in part within 30 calendar days following the Admission (as defined below), such Shares having been allotted for stabilization purposes.

If the Over-Allotment Option is exercised in full, the number of Offer Shares sold at IPO will increase to 89,708,177, which represents 19.94% of Hidroelectrica’s total issued share capital, and the Fund’s entire holding in Hidroelectrica. Of this, 71,766,542 Shares have been allocated to the Institutional Tranche (representing 80% of combined total of Offer Shares and Shares in relation to the Over-Allotment Option) and 17,941,635 Shares have been allocated to the Retail Tranche (representing 20% of the combined total of Offer Shares and Shares in relation to the Over-Allotment Option). The pro rata allocation factor calculated for the Retail Tranche of the IPO is 0.3209762650.

Report date:
5 July 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

Hidroelectrica will not receive any proceeds from the Offering. Settlement will take place on 10 July 2023. The admission and start of trading on the Bucharest Stock Exchange ("**BSE**") under the symbol "**H2O**" will take place on 12 July 2023 (the "**Admission**"). Immediately following the Admission, Hidroelectrica's shares will be included in the BET index of the BSE.

Hidroelectrica and the Fund are subject to a lock-up arrangement during a period from 22 June 2023 until the date falling 180 days after the date of Admission, and the majority shareholder of Hidroelectrica is subject to a lock-up arrangement during a period from 22 June 2023 until 12 months after the date of Admission, subject to certain exceptions disclosed in the Prospectus.

In connection with the Offering, Erste Group Bank AG (acting directly or through Banca Comerciala Romana S.A.) as stabilisation agent (the "**Stabilisation Agent**") on behalf of Citigroup Global Markets Europe AG (the "**Stabilisation Manager**") may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Offer Shares or effect other stabilising transactions with a view to supporting the market price of the Offer Shares at a higher level than that which might otherwise prevail in the open market. The Stabilisation Manager is not required to enter into such transactions and such transactions may be effected on the Bucharest Stock Exchange and may be undertaken at any time during the period commencing on the date of the commencement of trading of the Offer Shares on the Regulated Spot Market of the Bucharest Stock Exchange and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilisation Manager or any of its agents to effect stabilizing transactions and there is no assurance that stabilising transactions will be undertaken. In no event will measures be taken to stabilise the market price of the Offer Shares above the Final Offer Price. Such stabilisation, if commenced, may be discontinued at any time without prior notice. Except as required by law or regulation, neither the Stabilisation Manager nor any of its agents intends to disclose the extent of any over-allotments made and/or stabilising transactions conducted in relation to the Offering.

Citigroup Global Markets Europe AG, Erste Group Bank AG, Jefferies GmbH, and Morgan Stanley Europe SE are acting as Joint Global Coordinators in connection with the Offering. Banca Comerciala Romana S.A., Barclays Bank Ireland PLC, BofA Securities Europe SA, UBS Europe SE, UniCredit Bank AG and Wood & Company Financial Services, a.s. are acting as Joint Bookrunners. Auerbach Grayson, BRD - Groupe Société Générale, S.S.I.F. BT Capital Partners S.A. and S.S.I.F. Swiss Capital S.A. are acting as Co-Lead

Managers (the Joint Global Coordinators, the Joint Bookrunners and the Co-Lead Managers are collectively referred to as the “**Banks**”).

Rothschild & Co Equity Markets Solutions Limited is acting as Financial Adviser to the Fund, and STJ Advisors is acting as Financial Adviser to Hidroelectrica in connection with the IPO.

Further current reports with additional information will be released as and when there will be relevant information.

Important Notice

THIS ANNOUNCEMENT IS NOT AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES. THE SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "US SECURITIES ACT"), OR UNDER THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN. THE SHARES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE UNITED STATES (INCLUDING ITS TERRITORIES OR POSSESSIONS OF ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA), EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN, AND IN RELIANCE ON, RULE 144A UNDER THE US SECURITIES ACT, OR PURSUANT TO ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THERE WILL BE NO PUBLIC OFFERING OF THE SHARES IN THE UNITED STATES OR ELSEWHERE.

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WITH RESPECT TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OTHER THAN ROMANIA AND WHICH HAS IMPLEMENTED THE EU PROSPECTUS REGULATION (EACH, A "RELEVANT MEMBER STATE"), NO ACTION HAS BEEN UNDERTAKEN OR WILL BE UNDERTAKEN TO MAKE AN OFFER TO THE PUBLIC OF SECURITIES REQUIRING A PUBLICATION OF A PROSPECTUS IN ANY RELEVANT MEMBER STATE. AS A RESULT, THE SECURITIES MAY ONLY BE OFFERED IN RELEVANT MEMBER STATES TO (A) A LEGAL ENTITY THAT IS A QUALIFIED INVESTOR AS DEFINED UNDER THE PROSPECTUS REGULATION; OR (B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS PER RELEVANT STATE (OTHER THAN TO QUALIFIED INVESTORS AS DEFINED IN ARTICLE 2(E) OF THE PROSPECTUS REGULATION), SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE BANKS FOR ANY SUCH OFFER; OR (C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 1(4) OF THE PROSPECTUS REGULATION, PROVIDED THAT NO SUCH OFFER OF THE OFFER SHARES SHALL REQUIRE HIDROELECTRICA, THE SHAREHOLDERS OR ANY OF THE UNDERWRITERS TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION OR SUPPLEMENT A PROSPECTUS PURSUANT TO ARTICLE 23 OF THE PROSPECTUS REGULATION. FOR THE PURPOSES OF THIS PARAGRAPH, THE EXPRESSION AN "OFFER TO THE PUBLIC OF SECURITIES" IN ANY RELEVANT MEMBER STATE MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE SECURITIES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE ANY SECURITIES, AS THE SAME MAY BE VARIED IN THAT MEMBER STATE BY ANY MEASURE IMPLEMENTING THE EU PROSPECTUS REGULATION IN THAT MEMBER STATE AND THE EXPRESSION "EU PROSPECTUS REGULATION" MEANS REGULATION (EU) 2017/1129 AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN EACH RELEVANT MEMBER STATE.

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Franklin Templeton International Services S.À R.L., acting as Alternative Investment Fund Manager of FONDUL PROPRIETATEA S.A.

Johan MEYER
Permanent Representative

