

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

Current report according to Article 234 para. (1) letters a) and c) of the Financial Supervisory Authority Regulation no. 5/2018 on issuers of financial instruments and market operations, as well as the provisions of Article 99 letter a) of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments

Important events to be reported:

Request to convene the Ordinary General Shareholders Meeting of Fondul Proprietatea S.A.

Franklin Templeton International Services S.À R.L, as alternative investment fund manager and sole director (the "**Fund Manager**") of Fondul Proprietatea SA (the "**Fund**" or "**Fondul Proprietatea**"), would like to inform investors that, on 30 December 2025, it received a request to convene the Ordinary General Shareholders Meeting of Fondul Proprietatea ("**OGSM**") from a number of shareholders who claim to jointly hold 7.33% of the share capital – **attached as annex to this current report.**

The Fund Manager is verifying the request of the shareholders who together hold 7.33% of the share capital in terms of fulfilling the applicable legal provisions, and will take all necessary measures to convene the general meeting in accordance with said applicable legal provisions.

The Fund manager will continue to inform shareholders accordingly on the progress of this request.

Franklin Templeton International Services S.À R.L. in its capacity of alternative investment fund manager and sole director of FONDUL PROPRIETATEA S.A.

Daniel NAFTALI
Permanent Representative

Report date:
31 December 2025

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:
J2005021901408

Subscribed and paid-up share capital:
RON 1,664,407,948.32

Number of shares in issue and paid-up:
3,200,784,516

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

Restoring Structural Integrity: A Shareholder-Requisitioned Agenda for Fondul Proprietatea S.A.

To: Fondul Proprietatea

Address: Premium Point, Buzesti Street 76-80, 7th-8th floor, 1st District, Bucharest 011017, Romania

Ljubljana, December 30, 2025

Subject: Restoring Structural Integrity: A Shareholder-Requisitioned Agenda for Fondul Proprietatea S.A.

This proposal is submitted on behalf of shareholders holding over 5% of the share capital and represents the formal exercise of statutory rights under Romanian company law to request the convening of a General Meeting of Shareholders (“GSM”). The agenda items proposed herein are shareholder-initiated and do not originate from, or reflect proposals made by, the management.

Pursuant to the provisions of Company Law no. 31/1990, Law no. 24/2017 on issuers of financial instruments and market operations, republished, and ASF Regulation no. 5/2018 on issuers of financial instruments and market operations, as well as the provisions of art. 13 para. (5) of the Company’s Articles of Association, we, the shareholders signing this request, jointly holding a number of **234,578,040 shares** in Fondul Proprietatea, representing **7.33%** of the share capital, hereby kindly request that you undertake all necessary steps to **convene the General Meeting of Shareholders (“GSM”)**.

Furthermore, in accordance with the above-mentioned legal provisions, we request that the proposed agenda items set out below be included on the agenda of the GSM as convened.

The Shareholder-Demanded Resolutions for the GSM:

- 1. To resolve the issue of illiquidity, shareholders demand the mandate of a permanent Market-Making Programme to ensure deep and consistent liquidity across the market.**

This resolution addresses the critical issue of illiquidity. Currently, the Fund suffers from wide bid-ask spreads, low trading volumes, and a thin order book, all of which deter institutional capital and make efficient price discovery impossible. Shareholders argue

that liquidity should not be viewed merely as a feature, but rather as essential "valuation infrastructure". By implementing a professional market-making programme, the company can build investor confidence and reduce transaction costs, ultimately attracting the stable, long-term capital necessary to close the persistent Net Asset Value (NAV) discount.

2. To eliminate the "price stigma" currently depressing the stock, shareholders propose to execute a 1:100 Reverse Stock Split to reposition the share price for institutional investors.

Regarding the "price stigma" affecting the stock, the proposed resolutions call for a 1:100 Reverse Stock Split to reposition the share price for institutional investors. The current sub-1 RON share price acts as a psychological and technical barrier, automatically excluding many institutional mandates and sophisticated investors who are restricted by internal rules or index criteria. This reverse split is a purely structural repositioning, not a financial trick, meaning it results in zero dilution of ownership and has zero impact on the company's Net Asset Value. By transforming, for example, 100 shares at 0.50 RON into 1 share at 50 RON, the company unlocks institutional accessibility, improves analyst perception, and increases its potential for inclusion in major global indices.

3. To address the valuation discount caused by uncertainty, shareholders require the implementation of Enhanced Transparency and Disclosure Standards, including clear strategic guidance on the company's future.

To combat the uncertainty that plagues the current valuation, shareholders require the implementation of Enhanced Transparency and Disclosure Standards, including clear, forward-looking guidance on future strategy. Currently, opaque disclosures create what is described as a "discount of doubt," forcing investors to price in a high risk premium due to the lack of clarity. By demanding full transparency and a clear strategic roadmap, shareholders intend to eliminate the uncertainty that allows the market to justify a structural discount. This shift is designed to foster valuation confidence and lower the risk premium, thereby driving the share price closer to its intrinsic value.

4. To resolve the "Agency Discount," shareholders are calling to initiate a full Cost and Fee Structure Review to ensure total alignment with shareholder value creation.

To resolve the "Agency Discount," the resolutions initiate a full Cost and Fee Structure Review to ensure total alignment with shareholder value creation. The market currently

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perceives a misalignment of interests, leading investors to capitalize future management fees as a permanent drag on the company's NAV. By reviewing these costs and implementing a fee structure that is directly aligned with NAV growth, shareholders aim to eliminate the "Agency Costs" that have contributed to value being structurally trapped. This review is essential for restoring trust and ensuring that the management's incentives are perfectly synchronized with the interests of the shareholders.

- 5. As a vital supportive measure, shareholders wish to enact a 10% Share Buyback Programme to provide immediate price support and capitalize on the discount during the reform process.

As a vital supportive measure, shareholders have demanded a 10% Share Buyback Programme to provide immediate price support and capitalize on the discount during the reform process. Experience shows that buybacks conducted in isolation often provide only temporary support before structural frictions cause the discount to return. However, when enacted as part of a comprehensive, interlocking agenda, the buyback serves to accelerate accretion and support the price while other reforms fix underlying issues like liquidity and price stigma. This integrated approach creates a reinforcing cycle where all resolutions work together to achieve durable value creation and force the convergence of the market price with intrinsic value.

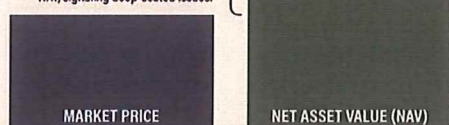
SHAREHOLDERS ACT: A PLAN TO UNLOCK TRAPPED VALUE

SHAREHOLDERS DEMAND

THIS IS A SHAREHOLDER-INITIATED AGENDA, NOT MANAGEMENT'S.

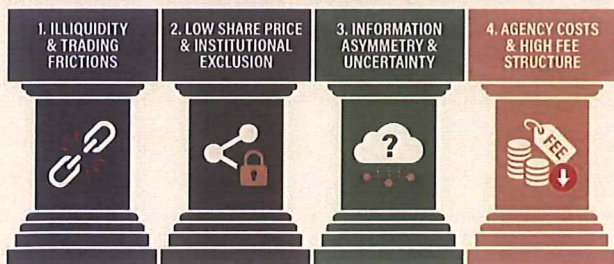
THE PROBLEM: A STRUCTURAL DISCOUNT TRAPS VALUE

THE STRUCTURAL DISCOUNT:
This gap is not temporary. It is structural. Market price remains persistently below NAV, signaling deep-seated issues.



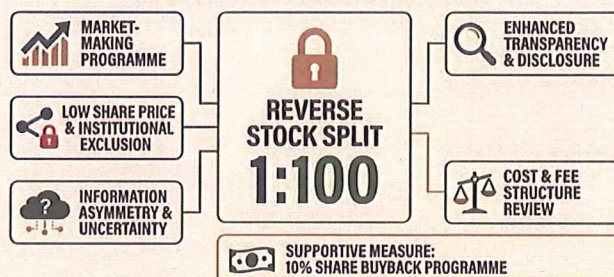
Markets don't punish assets. They punish friction.

The Four Structural Causes deterring investors.

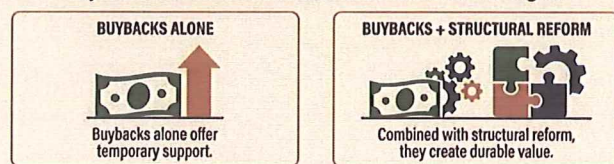


THE SOLUTION: SHAREHOLDER-DEMANDED RESOLUTIONS

Same value. New class of investors.



Capital returns work best when structure is right.



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Shareholders seek approval of this complete, interlocking agenda to address the structural discount comprehensively.

We remain at your disposal should you require any additional information or documentation.

Yours faithfully,

Equinox nepremičnine d.d.

Matej Rigelnik
Executive Director

Axor holding d.d.

Peter Krivc
Executive Director

Intus Invest d.o.o.

Peter Krivc
Director

E-žig ustvarjen za:
Matej Rigelnik
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Napredni e-žig s
kvalificiranim potrdilom
Imetnik potrdila: mSign
Datum e-žiga: 30.12.2025
Potek veljavnosti potrdila:
04.04.2030

E-žig ustvarjen za:
Peter Krivc
PETER.KRIVC@AXOR.S

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