



**FRANKLIN
TEMPLETON**

FONDUL
PROPRIETATEA

FOR IMMEDIATE DISTRIBUTION: 25 January 2021

10 YEARS OF GREAT ACHIEVEMENTS FOR FONDUL PROPRIETATEA SINCE ITS LISTING ON BVB

Bucharest, 25 January 2021– Fondul Proprietatea (“the Fund”) celebrates the tenth anniversary of its listing on the Bucharest Stock Exchange. The decade marks a period in which Fondul Proprietatea has contributed enormously to the development of the Romanian capital market, improving continuously the corporate governance standards in SOEs and making constant efforts to create value for its shareholders.

Commenting on this key milestone, **Piotr Rymaszewski, Chairman of Board of Nominees** of Fondul Proprietatea said: *“The Board of Nominees commends the efforts of Franklin Templeton as Fund Manager of Fondul Proprietatea over the past 10 years. The Fund has not only generated excellent returns for its shareholders, but has also, under the professional and diligent stewardship of the Fund Manager, made a significant contribution to the development of the capital market in Romania. The Fund Manager's efforts to improve corporate governance and transparency at its investee companies have had a very positive effect on the local equity market. The Fund's Board of Nominees, in cooperation with the Fund Manager, has led the way in this regard and it continues to believe that this unwavering focus will benefit all stakeholders well into the future.”*

Commenting on the 10-year anniversary, **Manraj Sekhon, Chief Investment Officer, Franklin Templeton Emerging Markets Equity** said: *“Fondul Proprietatea has proven to be a great success story for Romania, the Fund's diverse range of partners, and Franklin Templeton as the manager. We greatly value the engagement and support of the Fund's shareholders, co-shareholders in the portfolio companies, the Bucharest Stock Exchange, the Financial Supervisory Authority, and various other contributors in Romania. Another valuable partner has been the London Stock Exchange, where the Fund had its successful secondary listing. We continue to have great faith in the long-term potential of Romania and are looking forward to further partnership with the new Government to deliver more years of success. Importantly, Fondul also provides a useful model for other countries to help build true long term social and economic sustainability, with the collaboration of many stakeholders.”*

Johan Meyer, CEO of Franklin Templeton Investments Romania and Portfolio Manager of Fondul Proprietatea added: *“I strongly commend the commitment, dedication, and resourcefulness of the Franklin Templeton team in Bucharest, who have navigated numerous challenges with resilience and determination. The push for positive changes across the Fund's portfolio companies has unlocked significant value over the past decade. It has been a rewarding journey, in which the team has innovated, opened new avenues, and helped contribute meaningfully to the progress of the local capital market. We thank all our partners for their outstanding collaboration and support over the years. We look at the future with excitement, optimism and achieving continued success in Romania.”*

10 Years of Significant Achievements

Under the stewardship of Franklin Templeton, Fondul Proprietatea has been widely recognised for being an activist shareholder, upholding minority shareholders rights, pushing for corporate governance in SOEs in spite of resistance, taking public stands against unreasonable and anti-competitive business measures, as well as for introducing new instruments on the capital market.

Since its listing, **the Fund gave a continuous boost to the Romanian capital market** and contributed significantly to its development:

- FP ranked 1st among most traded stocks on BVB and was the 5th largest listed company on BVB, representing almost 7% of total market capitalization between 2011-2020.
- it attracted over US\$1.8 billion of new foreign portfolio investments into Romania and significantly increased its visibility among international investors with USD billions in AUM by organizing 22 Investor Day conferences in Romania, London and New York, attending 115 road-shows and 131 investor conferences.
- it introduced for the very first-time new tools on the local stock exchange: buy-back programmes (2011), tender offers (2013) and accelerated bookbuild offerings/ ABO (2013), which later become popular among local issuers. It also proposed the first stock-option programme in a majority state owned company (2014) at Transelectrica, then part of the Fund's portfolio.
- it concluded half of the special transactions (such as IPOs, SPOs, and ABOs) executed on BVB between 2012 – 2020. The Fund's transactions which represented 40% (US\$1.1 billion) of the total value of these transactions, included: Transgaz ABO (2013), Transelectrica ABO (2014), Romgaz ABO (2014, 2015, 2016), Petrom ABO (2013, 2016, 2017, 2020) and ABO Conpet (2014).
- FP value transactions represented 25.2% of the total equities value transactions on BVB between 2011 – 2020.
- FP traded volume represented 35% of the total equities volume on BVB between 2011 – 2020.

Delivering on its key objective, **FP has built an impressive track record of generating substantial value for its shareholders** since its listing:

- it achieved an all-time high share price of RON 1.53 per share and record low discount to NAV per share of 5%¹
- it has generated total shareholders return of over 350% in RON terms and 128% for the GDRs, while the cumulative NAV performance was 141.7%².
- It made significant distributions of US\$3.7 billion (RON 13,8 billion) to shareholders between 2010 - 2020³
- It completed eleven buy-back programs and currently carrying on the twelfth one, repurchasing overall 7.37 billion own shares, representing 53.5% of the total number of issued shares as of the end of January 2011.

Looking Forward

Fondul Proprietatea remains fully committed to continue delivering returns for its shareholders. It will continue to advocate for and closely monitor the implementation of corporate governance standards in its portfolio companies, with the objective of further facilitating progress of the local capital market.

To this end, the Fund is prepared to support the listing of state-owned enterprises in the near-term by contributing to the process a part of its stakes in IPO candidates, such as Hidroelectrica. The pipeline of listings from the

¹ On 11 January 2021

² As of 31 December 2020. The Performance Inception date for the NAV is 31 December 2010, for the Share Price is 25 January 2011, and for the GDRs is 29 April 2015.

³ The amount includes dividends, returns of capital, daily buybacks and tender offers.

Romanian Government and Fondul Proprietatea has the potential to be a huge catalyst for attracting more investors to Romania, building on the track record of improved corporate governance and transparency. This is the necessary key to unlock the full potential of Romania's capital market and secure an upgrade to MSCI Emerging Market Status, while at the same time helping the country's recovery process from the impact of the pandemic.

- ENDS -

Contacts:

| | |
|---|--|
| <p>Elena Birjovanu Senior Corporate Communications Manager Franklin Templeton Investment Bucharest Branch Premium Point 78-80 Buzesti, 011017, Bucharest Tel: +40 725 301 189 Email: elena.birjovanu@franklintempleton.com</p> | <p>Cristina Butunoi Head of Corporate Division Golin Metropolis Bravo, 89-97 Grigore Alexandrescu 010627 Bucharest, Romania Tel: +40 751 024 088 Email: cbutunoi@golin.com</p> |
|---|--|

Notes to Editors

1. About Fondul Proprietatea

Launched in December 2005, Fondul Proprietatea was established to compensate Romanians whose properties were confiscated by the former communist government. Following an international tender announced in December 2008, Franklin Templeton Investments was officially appointed as investment manager and sole administrator of the Fund on 29 September 2010.

The Fund is an alternative investment fund and its investment objective is the maximization of returns and per-share capital appreciation via investments mainly in Romanian equities and equity-linked securities. The Fund listed on the Bucharest Stock Exchange on 25 January 2011 and on the Specialist Fund Market of the London Stock Exchange by means of global depositary receipts ("GDRs") on 29 April 2015.

The headquarters of Fondul Proprietatea SA are at 78-80 Buzesti Street, 7th Floor, Bucharest District 1, 011017, Romania. For more information on Fondul Proprietatea, please visit <http://www.fondulproprietatea.ro>.

2. About Franklin Templeton Investments

Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 165 countries. Franklin Templeton's mission is to help clients achieve better outcomes through investment management expertise, wealth management and technology solutions. Through its specialist investment managers, the company brings extensive capabilities in equity, fixed income, multi-asset solutions and alternatives. With offices in more than 30 countries and approximately 1,300 investment professionals, the California-based company has over 70 years of investment experience and approximately 1.5 trillion in assets under management as of 31 December 2020. For more information, please visit www.franklintempleton.ro.

Franklin Templeton established an office in Bucharest in May 2010, with a team of 32 employees, including 6 locally based investment professionals who are further supported by the over 40 portfolio managers and analysts of the wider Templeton Emerging Markets team.

Starting with 1 April 2016, in view of complying with the EU Directive 2011/61 on alternative investment fund managers, the Fund is managed by Franklin Templeton Investment Services S.À R.L. ("FTIS/ Fund Manager"), 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, authorized 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, registered with the Luxembourg Register of Commerce and Companies under number B 36.979.

This release herein is issued by FTIS Bucharest Branch, registered therein under the number 40198471.

The office of FTIS Bucharest Branch is located at Premium Point, 8th floor, 78-80 Buzesti, District 1, Bucharest, Romania. Tel: +40.200.96.00, Fax: +40.200.96.31/32.

This press release is intended to be of general interest only, and does not constitute professional advice. Franklin Templeton Investments and its management groups have exercised professional care and diligence in the collection and processing of the information in this press release. Franklin Templeton Investments makes no representations or warranties with respect to the accuracy of this document. Franklin Templeton Investments shall not be liable to any user of this report or to any other person or entity for the inaccuracy of information contained in this press release or for any errors or omissions in its contents, regardless of the cause of such inaccuracy, error or omission. Any research and analysis contained in this document has been procured by Franklin Templeton Investments for its own purposes. Copyright © 2021. Franklin Templeton Investments. All rights reserved.