



FOR IMMEDIATE DISTRIBUTION: 26 APRIL 2023

FONDUL PROPRIETATEA REQUESTS CNAB TO URGENTLY COMPLETE THE TENDER FOR THE COMMERCIAL PREMISES AT HENRI COANDA AIRPORT

Bucharest, 26 April 2023 – Fondul Proprietatea ("the Fund") is deeply concerned by the fact that Compania Națională Aeroporturi București (CNAB) has neglected to organize any tender for the concession of commercial premises at Henri Coandă International Airport (AIHCB), despite its commitment to the Competition Council to complete the tender and designate the winners by 31 July 2022.

CNAB did not take the necessary measures and delayed the organization of the tender by almost 10 months. This led to the extension of the contracts with the existing companies that manage the commercial premises for a period of 6 months, until 30 June 2023. This action was taken despite the opposition of Fondul Proprietatea, expressed, through a negative vote at the Extraordinary General Shareholders Meeting on the 5 December 2022. There is a significant risk that these contracts, which are financially disadvantageous for CNAB, shall be extended again if the tender is not completed by the date on which they are due to expire.

The commercial premises in Bucharest Airport represent an important source of income for CNAB. Delaying the organization of the tender has a negative impact on the company, as it deprives it of potentially higher revenues. Moreover, airport passengers are denied better use of these premises, through increased diversity and improved services in the retail and food catering.

Mr. Johan Meyer, CEO of Franklin Templeton Bucharest, and Portfolio Manager of Fondul Proprietatea said, "Fondul Proprietatea is deeply disappointed with the lack of implementation of corporate governance and mismanagement issues within CNAB, as highlighted by the way the company handled this tender. We are concerned about the lack of interest shown by CNAB in the transparent and competitive operation of these commercial premises, as this is a very important issue for all stakeholders, including passengers and company shareholders. We urge CNAB to take all the necessary steps to finalize the tender in a transparent manner."

Fondul Proprietatea requests the following from CNAB, in order to mitigate the negative impact on the company:

- Observe the commitment made to the Competition Council and take urgent measures to finalize the tender as soon as possible.
- Evaluate alternative models of managing the commercial premises at AIHCB, such as implementing a royalty system based on a percentage of revenue, similar to that used by other international airports.
- Perform a restructuring of CNAB with the objective to establish a clear decision-making mechanism, the creation of a functional framework for identifying and sanctioning conflicts of interest, as well as for holding employees accountable for non-performance.

- Reorganize the recruitment process to prioritize the selection of professional and competent employees and avoid the perpetuation of existing conflicts of interest.

CONTEXT & BACKGROUND INFORMATION

- **27 October 2010** – CNAB concluded two profit sharing agreements for the management of its commercial premises with two companies: one for food&beverages and the other one for travel retail activities (mainly duty free). These agreements have expired on **31 December 2022**.
- **October 2016** – The Competition Council launched an investigation into a possible anti-competitive agreement between CNAB and the two companies that managed the commercial spaces.
- **2019** – During the peak year in passenger traffic at AIHCB, CNAB received revenues from commercial spaces in the equivalent of approximately 22% of the sales resulted from food&beverages premises, and only 7% of the sales resulted from travel retail premises. According to a market study presented by CNAB, the average percentage of sales collected by European airports comparable in size to AIHCB in the period 2018-2019 was 22.6% for food&beverages activities, and 28.6% for duty free sales.
- **October 2021** – According to the Competition Council decision no. 69/06.10.2021, CNAB assumed the following commitments:
 - Identify and approve the optimal model for operating its commercial premises - deadline 30.11.2021;
 - Acquisition of consultancy services for the upcoming tender – deadline 28.02.2022;
 - Set the requirements for the upcoming tender and potential draft agreements - deadline 04/30/2022;
 - Conduct the tender and designate the winners - deadline 31.07.2022.
- **20 December 2021** – The CNAB Board of Directors approved the initiation of necessary measures for the tender of commercial premises for food&beverages, respectively travel retail activities.
- **27 October 2022** – The CNAB Board of Directors called the General Shareholders' Meeting of CNAB with the proposal to extend the two expiring contracts by 6 months.
- **5 December 2022** – Following a decision of the CNAB General Meeting of Shareholders, the two contracts were extended for 6 months, until 30 June 2023.

- ENDS -

Contacts:

<p>Elena Birjovanu Senior Corporate Communications Manager Franklin Templeton International Services Luxembourg, Bucharest Branch Premium Point, 76-80 Buzesti St., 011017, Bucharest Tel: +40.725.301.189 Email: elena.birjovanu@franklintempleton.com</p>	<p>Bogdan Biszok Senior PR Manager Golin Metropolis Bravo, 89-97 Grigore Alexandrescu 010627 Bucharest, Romania Tel: + 40.742.100.646 Email: bbiszok@golin.ro</p>
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Notes to Editors

1. About Fondul Proprietatea

Launched in December 2005, Fondul Proprietatea (“the Fund”) was established to compensate Romanians whose properties were confiscated by the former communist government. Following an international tender announced in December 2008, Franklin Templeton 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 to shareholders and the increase of the net asset value per share 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 76-80 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

Franklin Resources, Inc. [NYSE:BEN] is a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 155 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 offers specialization on a global scale, bringing extensive capabilities in fixed income, equity, alternatives and multi-asset solutions. With offices in more than 30 countries and approximately 1,300 investment professionals, the California-based company has over 75 years of investment experience and approximately of \$1,451.9 billion in assets under management as of 31 March 2023. For more information, please visit <https://www.franklintempleton.com/>.

Franklin Templeton established an office in Bucharest in May 2010, with a team of 30 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 International 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.

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