

FOR IMMEDIATE RELEASE

FRANKLIN TEMPLETON ANNOUNCES DECISION NOT TO PARTICIPATE IN THE SELECTION FOR AN ALTERNATIVE INVESTMENT FUND MANAGER FOR FONDUL PROPRIETATEA

Bucharest, 29 November 2024: Franklin Templeton International Services S.À R.L. ("Franklin Templeton" or "the firm"), the Fund Manager and Sole Director of Fondul Proprietatea ("the Fund"), announces that after careful consideration, it has taken the decision not to participate in the ongoing selection process for the Fund's Alternative Investment Fund Manager. The firm will therefore not submit a response to the request for proposal (RFP) to the selection advisor, Deutsche Numis.

Fondul Proprietatea was established in 2005 to compensate Romanian nationals whose properties were confiscated under the communist regime. Franklin Templeton was chosen to manage the Fund in 2009 following a competitive selection process and was formally approved as Fund Manager and Sole Director at a Fund shareholder meeting in September 2010.

Leveraging Franklin Templeton's extensive investment expertise, the Fund was listed on the Bucharest Stock Exchange in January 2011 and on the Specialist Fund Market of the London Stock Exchange in April 2015.

Under Franklin Templeton's leadership and stewardship over the last 14 years, Fondul Proprietatea has been a staunch advocate for minority shareholders' rights, pushing for improved corporate governance, transparency, and accountability in state-owned enterprises (SOEs). These efforts have generated substantial value for the Fund's shareholders and co-shareholders in the portfolio companies.

Key milestones and contributions to the Romanian economy and capital market include:

- Total shareholder return¹ of 983% for the Fund's shares and 313% for the Net Asset Value (NAV) in RON terms, and 634% and 184% in US\$, respectively, since the Fund's listing on the Bucharest Stock Exchange in January 2011 until 31 March 2024². The US\$ share price return has outperformed major global, regional and local indices, including but not limited to, the MSCI ACWI, S&P500, STOXX Europe 600, MSCI Emerging Markets and Bucharest Stock Exchange indices.
- US\$1.5 billion of new foreign portfolio investment into Romania
- Close to 50 transactions totalling US\$4.3bn, including the historic listing of Hidroelectrica S.A., the 3rd largest ever on a Central European Exchange, the largest ever in Romania and the largest IPO in Europe in 2023.

¹ Source: Bloomberg

² End of the last two-year mandate

- Over US\$7bn returned to shareholders of the Fund through dividends, returns of capital and share buy-backs.
- Increasing Romania’s visibility and viability as an investment destination with domestic and international shareholders through 6,200 meetings with institutional investors, 2,200 conference calls and more than 260 roadshows, investor day events and conferences.

Johan Meyer, CEO of Franklin Templeton Romania and Portfolio Manager of Fondul Proprietatea, stated: "Franklin Templeton is immensely proud of the successes the Fund has achieved under our stewardship and the pivotal role it has played in the development of the Romanian capital market. The expertise, dedication, and resilience of our team in Bucharest have been instrumental in unlocking significant value for our stakeholders. While we will not be participating in the current selection process, we remain committed to the Fund's continued success and exploring opportunities for the further development of the Romanian capital market."

Manraj Sekhon, CIO of Templeton Global Investments added: “With the long-term collaboration between Franklin Templeton as manager of Fondul Proprietatea and other key stakeholders, the Fund has proven to be a great success story for Romania. The Fund, which aligned Romania’s leadership, policy makers, capital market participants and citizens, with open-minded investors from around the world, was a landmark project that delivered long term superior and sustainable value for all. We truly believe that this provides an attractive template for many countries globally.”

Franklin Templeton remains committed to the management of the Fund. In addition, it will continue to support the development of the Romanian market and remains open to leveraging the experience and capabilities of its Bucharest team, backed by the wider organization.

Last but not least, Franklin Templeton extends its gratitude to all stakeholders, including shareholders in the Fund, the Government of Romania and other co-shareholders in portfolio companies, the Board of Nominees, the Bucharest Stock Exchange, the Financial Supervisory Authority, and various other contributors in Romania, for their continued support and collaboration.

-ENDS-

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Notes to Editors:

1. About Franklin Templeton

Franklin Resources, Inc. [NYSE:BEN] is a global investment management organisation with subsidiaries operating as Franklin Templeton and serving clients in over 150 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 specialisation on a global scale, bringing extensive capabilities in fixed income, equity, alternatives and multi-asset solutions. With more than 1,500 investment professionals, and offices in major financial markets around the world, the California-based company has over 75 years of investment experience and over \$1.6 trillion in assets under management as of 31 October 2024. For more information, please visit <https://www.franklintempleton.com/>

Franklin Templeton established an office in Bucharest in May 2010, with a team of 28 employees, including 5 locally based investment professionals.

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.

This release herein is issued by FTIS Bucharest Branch, registered therein under the number 40198471. The headquarters of FTIS Bucharest Branch is located at Premium Point, 8th floor, 76-80 Buzesti St., District 1, Bucharest, Romania. Tel: +40.200.96.00, Fax: +40.316 300 048.

2. 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 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 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>.

3. Timeline of Key Events in the History of Fondul Proprietatea and Impact in Romania

Please find below some of the highlights under the management of Franklin Templeton:

Appointment and mandate renewals:

- **September 2010:** Fund shareholders approve the appointment of Franklin Templeton as Fund Manager and Sole Director for a period of 4 years
- **September 2014 to date:** Mandate renewed at various intervals

Listings:

- **January 2011:** Listing the Fund on the Bucharest Stock Exchange ("BVB") with a market capitalization of RON 8.9 billion (US\$2.9 billion)
- **April 2015:** Secondary listing through GDRs on the Specialist Fund Market of the London Stock Exchange ("LSE") with a market capitalization of RON 9.7 billion (\$2.4 billion)
- **Attracted US\$1.5 billion of new foreign portfolio investment into Romania**

Market activities:

- **Total amount: ~RON 18.2 billion (~US\$4.3 billion)** raised from close to 50 transactions (35 private transactions, 14 full exits via the capital markets) including the historic listing of Hidroelectrica S.A., the largest Initial Public Offering (IPO) ever in Romania and the largest IPO in Europe in 2023.
 - **Initial Public Offerings (IPOs) and Secondary Public Offerings (SPOs) – Total amount ~RON 10.1 billion (~US\$2.3 billion):**
 - **October 2016:** Partial sale of 3.6 billion shares in OMV Petrom via an SPO executed on the BVB and LSE through GDR listing. The total value of the transaction was ~RON 761 million (~US\$185 million) and represented 6.4% of the company's share capital. The Fund reduced its stake from 19.0% to 12.6%, significantly increasing the company's free float from 9.4% to 15.8%.
 - **July 2023:** Successful completion of the Hidroelectrica S.A. IPO on the BVB, with the Fund selling its entire stake in Hidroelectrica for a total consideration of ~RON 9.3 billion (~US\$2.1 billion)

- **Accelerated Book Builds (ABBs) and market transactions – Total amount ~RON 5.7 billion (~US\$1.45 billion)**
 - **May 2013:** ABB of OMV Petrom shares on the BVB for a total consideration of ~RON 247 million (~US\$74 million)
 - **December 2013:** ABB of Transgaz shares on the BVB for a total consideration of ~RON 304 million (~US\$93 million)
 - **June 2014:** ABB of Romgaz shares (5.0% of the total shares issued by the company) on the BVB and LSE for a total consideration of ~RON 643 million (~US\$199 million)
 - **July 2014:** ABB of Transelectrica shares (13.5% of the total shares issued by the company) on the BVB, for a total consideration of ~RON 213 million (~US\$65 million)
 - **November 2014:** ABB of Conpet shares on the BVB for a total consideration of ~RON 100 million (~US\$28 million)
 - **October 2015:** ABB of Romgaz (4.2% of the total shares issued by the company) on the BVB and LSE for a total consideration of ~RON 456 million (~US\$116 million)
 - **April 2016:** ABB of Romgaz (5.8% of the total shares issued by the company) on the BVB and LSE, for a total consideration of ~RON 541 million (~US\$137 million)
 - **September 2017:** ABB of OMV Petrom shares (2.6% of the total shares issued by the company) on the BVB for a total consideration of ~RON 400 million (~US\$104 million)
 - **January – July 2018:** Partial sale of the Fund's holding in Nuclearelectrica for a total consideration of ~RON 49 million (US\$13 million)
 - **April 2018:** Sale of the Fund's holding in Conpet for a total consideration of ~RON 53 million (~US\$14 million)
 - **September 2020:** ABB of OMV Petrom shares on the BVB for a total consideration of ~RON 561 million (~US\$136 million)
 - **December 2020:** Finalized the sale of entire holding in Nuclearelectrica for a total consideration of ~RON 360 million (~US\$90) million.
 - **January & December 2022:** Two ABB offerings for the entire holding of the Fund in OMV Petrom, for a total value of ~RON 1,782 million (~US\$380 million).
- **Private asset sales – Total Amount ~RON 2.4 billion (~US\$ 572 million)**
 - **June 2016:** Disposal of the Fund's entire holdings in E.ON, for a total consideration of RON 599 million (~US\$149 million).
 - **November 2017:** Disposal of the Fund's entire holdings in the Electrica subsidiaries for a total value of RON 752 million (~US\$191 million). The Fund also collected the outstanding balance of dividends in the amount of ~RON98 million (~US\$25 million) distributed by Electrica subsidiaries.
 - **October 2023:** Disposal of the Fund's entire holding in Enel companies within a transaction completed for RON 650 million (~US\$138 million)
 - **February 2024:** Disposal of the Fund's entire holding in Engie within a transaction completed for RON 433 million (~US\$94 million).

Distributions to shareholders:

- **Total amount: ~RON 28.9 billion (~US\$7 billion)**
 - **Buybacks:** 15 buyback programs amounting to ~RON 3.5 billion (~US\$878 million)
 - **Tender offers:** 13 tender offers amounting to ~RON7.1 billion (~US\$1.7 billion)

Tender Offer				Tender Offer		
	Announced	Value (RON million)			Announced	Value (RON million)
1	October 2013	600		8	July 2020	306

2	October 2014	833		9	October 2020	229
3	July 2016	484		10	March 2022	712
4	January 2017	583		11	January 2023	492
5	December 2017	1,122		12	October 2023	1,055
6	June 2019	182		13	July 2024	178
7	January 2020	278				

- **Dividends paid: Total ~RON 18.4 billion (~US\$4.4 billion)**

Distribution	Year	Value (RON million)		Distribution	Year	Value (RON million)
Special Dividend	2010	1,100		Annual Dividend	2019	642
Annual Dividend	2011	433		Annual Dividend	2020	418
Annual Dividend	2012	508		Annual Dividend	2021	427
Annual Dividend	2013	536		Special Dividend	2021	414
Return of Capital	2014	601		Special Dividend	2022	351
Return of Capital	2015	534		Annual Dividend	2022	774
Return of Capital	2016	517		Annual Dividend	2023	270
Return of Capital	2017	481		Special Dividend	2023	9,200
Return of Capital	2017	444		Special Dividend	2024	213
Annual Dividend	2018	500				

Investor Engagement:

- **Total investor meetings and conference calls: over 8,400**

- More than 260 roadshows, investor day events in New York, London and Bucharest as well as conferences.
- 6,200+ meetings with institutional investors.
- 2,200+ conference calls.

Performance:

- Total shareholder return of 634.4% in US\$ terms and 983.2% in RON terms since the listing on 29 January 2011 until 31 March 2024, when the Fund's last 2 year mandate ended.
- Comparison with global, regional and national indices:

Total Shareholder Return, 25 January 2011 - 31 March 2024 in US\$:

	FP RO	BET Index	MSCI ACWI	MSCI EM	S&P 500	STOXX EUROPE 600
Since Listing on BVB	634.4%	387.7 %	223.1 %	32.6%	424.6 %	129.8%

Source: Bloomberg

Social Responsibility:

- Sponsorship of several NGO's and charitable organisations include:
 - United Way Romania
 - Unicef Romania
 - Red Cross Romania
 - Professional Women's Network Romania
 - Romanian Cricket Federation

Membership in Industry and professional organisations:

- Amcham Romania
- Foreign Investors Council
- Association of Fund Managers

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