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**FONDUL PROPRIETATEA ANALYSES FUTURE CHALLENGES AND OPPORTUNITIES FOR
HENRI COANDA AND BANEASA AIRPORTS**

Bucharest, December 13, 2023 – Franklin Templeton International Services S.À R.L. ("FTIS"), in its capacity as alternative investment fund manager and sole director of Fondul Proprietatea S.A. (the "Fund"/ "Fondul Proprietatea"), highlights key findings from the market study and capacity assessment, commissioned by the Fund and conducted by renowned airport consultancy and engineering firm NACO. This study provides insights into the current capacity and growth potential of Baneasa Airport (BBU) and provides an overview of the infrastructure and aviation demand for the entire Bucharest metropolitan area.

Fondul Proprietatea is currently challenging a share capital increase at Bucharest Airports with the value of the lands at BBU. Forecasted traffic numbers at BBU were a key input in the valuation report that resulted in a grossly overstated value. The NACO report points to a maximum potential traffic at BBU roughly half of what was forecasted in the contested valuation report, once again indicating a fundamentally flawed share capital increase process.

Johan Meyer, CEO of Franklin Templeton Bucharest and Portfolio Manager of Fondul Proprietatea, stated: "As forecast air traffic of BBU Airport is one of the key inputs in determining its value, we commissioned an independent report from a world-renowned aviation expert to provide insight into the potential of the airport. The report clearly outlines the capacity and demand limits of BBU, while highlighting the urgent need to expand the infrastructure at Henri Coanda Airport (OTP), in order to facilitate growing traffic numbers and create an improved traveling experience."

René Hopstaken, Airport Consultant at NACO, mentioned: "NACO, as a global leader in aviation consultancy and engineering, brought our deep expertise to this market study and capacity assessment, providing a comprehensive understanding of the future of Bucharest's airports. Our data-driven approach, guided by real traffic figures and industry trends, highlights the critical need for capacity expansion in the Bucharest area to effectively serve the growing demand for air travel in the region. We believe that BBU airport could function as a complementary airport to OTP, but several factors limit its processing capacity. Thus, having new infrastructure built in the coming years becomes the primary solution to future capacity constraints."

Driven by robust economic growth and the expansion of low-cost airlines, unconstrained traffic demand (not considering infrastructure limitations) is expected to continue pre-COVID trends, reaching approximately 21 million annual passengers in the Bucharest area by 2030. By 2050, unconstrained demand is anticipated to be around 33 million passengers per year.

After assessing the existing infrastructure at (OTP, NACO experts concluded that the airport could accommodate between 16 and 18 million passengers per year. Depending on actual traffic



development, capacity limits, and service levels deemed acceptable, OTP could reach this passenger volume between 2025 and 2030.

A potential opportunity has been identified for BBU to capture overflow that may not be accommodated at OTP due to capacity constraints. The most likely candidate airlines to operate at BBU will be smaller independent carriers currently operating at OTP's peak windows, translating to roughly 300,000 – 500,000 annual passengers. The de facto night curfew for commercial flights (between 10 pm-6 am) poses a major hurdle for large low-cost carriers.

The existing terminal of BBU has a capacity of approximately 175 passengers per hour or 2 aircraft movements per hour. In the “as is” scenario for BBU, i.e., without any capacity expansions, traffic volumes through 2035 could range between 340,000-840,000 in case BBU succeeds to offer attractive conditions for airlines. Considering the night curfew restrictions, the upper range is further limited to approximately 700,000 passengers per year.

The study explores several capacity expansion options for BBU, with potential solutions to increase the number of aircraft movements and passengers processed per hour. Irrespective of technical solutions and investment spending, all potential capacity enhancement scenarios could only double capacity to a maximum of 4 aircraft movements per hour. This could increase maximum annual traffic from 0.7 to 1.3 million passengers, taking into account the night curfew.

In conclusion, the NACO report provides valuable insights into the potential of BBU and it clearly outlines the capacity limits of the airport. The findings of the report contradict several base assumptions used for the valuation report for land at BBU, which is used in the contested share capital increase at Bucharest Airports. The valuator used annual traffic of around 3 million passengers from 2022, more than double of what could be achieved at BBU with the current infrastructure, under all investment scenarios analyzed.

Fondul Proprietatea encourages the Ministry of Transport to approve the revocation of the Bucharest Airports GSM resolution approving the share capital increase and to collaborate with the Fund to enable further development of the airport infrastructure in Bucharest.

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Notes to Editors

1. About NACO

NACO (Netherlands Airport Consultants), a company of Royal HaskoningDHV, is a world-leading airport consultancy and engineering firm with over 70 years' experience working in the aviation and air transport industry – from major landmark designs to smaller regional airports.

From the largest of international hubs to individual regional airports, NACO has been involved in projects at over 700 airports around the world. With project experience in locations all over the world, NACO has developed a deep understanding of global aviation trends and the bespoke needs of individual regions and nations. Through impartial expertise, it delivers solutions in this local context, while adhering to international standards. NACO has over 150 employees from 25+ countries and is supported by 6000 multi-disciplinary colleagues of group company Royal HaskoningDHV. For more information on NACO, please visit <https://www.naco.nl/>.

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 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 76-80 Buzesti Street, 7th Floor, District 1, Bucharest, 011017, Romania. For more information on Fondul Proprietatea, please visit <http://www.fondulproprietatea.ro>.

3. 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 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 75 years of investment experience and approximately \$1.42 trillion in assets under management as of 31 August 2023. For more information, please visit www.franklintempleton.ro.

Franklin Templeton established an office in Bucharest in May 2010, with a team of 29 employees, including 6 locally based investment professionals, who are further supported by 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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