

THIS ENGLISH LANGUAGE ANNOUNCEMENT REPRESENTS AN UNOFFICIAL TRANSLATION OF THE ROMANIAN LANGUAGE ANNOUNCEMENT APPROVED BY THE FINANCIAL SUPERVISORY AUTHORITY

## ANNOUNCEMENT

**referring to the tender offer to purchase for cash up to 165,000,000 Shares of Fondul Proprietatea S.A. in the form of Shares and GDRs representing such Shares at a purchase price of RON 1.39 per Share and the US dollar equivalent of RON 69.5 per GDR**

This announcement relates to a tender offer (the "**Tender Offer**") by Fondul Proprietatea S.A., a joint stock company incorporated under the laws of Romania, registered and operating under Romanian law as an alternative investment fund (as defined by Law no. 74/2015 regarding alternative investment fund managers) (the "**Bidder**" or the "**Issuer**", as applicable) for existing fully paid up ordinary shares with a nominal value of RON 0.52 each in its share capital (the "**Shares**"). The Tender Offer comprises a tender offer for up to 165,000,000 Shares in the form of Shares and/or global depositary receipts which represent the Shares (the "**GDRs**" and, together with the Shares, the "**Securities**") representing up to 2.29 per cent of the subscribed share capital of the Issuer. The Shares are admitted to trading on the spot regulated market operated by Bursa de Valori Bucuresti S.A. (the "**Bucharest Stock Exchange**" or "**BSE**") under the market symbol "**FP**". The GDRs have no nominal value and are admitted to trading on the Specialist Fund Segment of the London Stock Exchange plc under the market symbol "**FP**". Each GDR represents 50 Shares.

The Tender Offer is addressed exclusively to the holders of Shares and GDRs (each an "**Investor**").

The tender and the purchase of the Securities will be carried out exclusively in accordance with the terms and conditions of the tender offer document drawn up by the Bidder and approved by the Romanian Financial Supervisory Authority (the "**FSA**") in accordance with Law no. 24/2017 on issuers of financial instruments and market operations (the "**Capital Markets Law**") and Regulation no. 5/2018 on issuers of financial instruments and market operations issued by the FSA (the "**Tender Offer Document**"). The Tender Offer Document has been approved by the FSA by Decision no. 1305 dated 4 November 2020.

The Tender Offer Document shall be made available, as follows: (i) in electronic form, on the website of Swiss Capital ([www.swisscapital.ro](http://www.swisscapital.ro)), of the Bucharest Stock Exchange ([www.bvb.ro](http://www.bvb.ro)), as well as on the Bidder's website ([www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)); and (ii) in hard copy, upon request addressed to the Bidder or Swiss Capital, starting with the date of publication of the Tender Offer announcement..

**Offer Period:** The Tender Offer will commence on 12 November 2020 and will expire at 12:00 p.m. (Eastern European Time) / 10:00 a.m. (Greenwich Mean Time) on 16 December 2020 (the "**Expiration Deadline**") (the "**Offer Period**"). Please note that Euroclear Bank N.V./S.A. ("**Euroclear**") and Clearstream Banking, Société Anonyme ("**Clearstream**"), their respective participants and the brokers or other securities intermediaries through which GDRs are held will establish their own cut-off dates and times for the tender of the GDRs, which will be earlier than the Expiration Deadline.

**Issuer/ Bidder:** FONDUL PROPRIETATEA S.A., a company established and operating according to the laws of Romania, with the registered office in 78-80 Buzesti Street, 7<sup>th</sup> floor, District 1, Postal Code 011017, Bucharest, Romania, registered with the Trade Registry under no. J40/21901/2005.

THE APPROVAL VISA ON THE TENDER OFFER DOCUMENT SHALL NOT BE CONSTRUED AS A GUARANTEE OR ANY KIND OF ASSESSMENT BY THE FSA WITH RESPECT TO THE OPPORTUNITY, ADVANTAGES OR DISADVANTAGES, PROFIT OR RISKS INVOLVED IN ACCEPTING THE TENDER OFFER, WHICH IS SUBJECT TO THE APPROVAL DECISION. THE APPROVAL DECISION CERTIFIES ONLY THE COMPLIANCE OF THE TENDER OFFER DOCUMENT WITH THE LEGAL REQUIREMENTS AND THE NORMS ADOPTED FOR THE APPLICATION THEREOF.

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The Issuer is authorized by the FSA (formerly the Romanian National Securities Commission) as a closed-end investment company. The business object of the Issuer is portfolio management. The Issuer's investment objective is the maximisation 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 business object of the Issuer as described by NACE Code 6430 is "mutual funds and other similar financial entities".

The sole director and alternative investment fund manager of the Issuer is Franklin Templeton International Services S.À R.L..

The Bidder is not aware of the existence of any persons acting in concert with it in relation to the Issuer. "Persons acting in concert" has the meaning ascribed under the Capital Markets Law.

According to the statements of account issued by the Central Depository and by BRD Groupe Société Générale (the Bidder's custodian), the Bidder holds 632,961,287 Shares (all in the form of Shares).

**The Tender Offer:** The Bidder intends to acquire through the Tender Offer up to 165,000,000 Shares in the form of Shares and/or GDRs (which, for the avoidance of any doubt, do not include Shares or GDRs already owned by the Bidder on the date of the Tender Offer Document).

If an Investor is a holder of both Shares and GDRs, the Investor may (but is not obligated to) tender all of its Securities, or any portion or combination of Securities, using the appropriate procedures described in the Tender Offer Document. Alternatively, an Investor may choose to tender none of its Securities (in which case no action on such Investor's part is required), or tender only one type of security (Shares or GDRs) even if the Investor holds both types of Securities.

Investors tendering GDRs should note that the purchase price for the GDRs will be paid in US dollars at the exchange rate commercially available to the Bidder, at the Bidder's absolute discretion, for exchanging one RON into USD on the first business day immediately following the Expiration Deadline provided that such rate shall be no higher than the rate for exchanging one RON into USD published by the National Bank of Romania at 1:00 p.m. (Eastern European Time) on the day on which banks are open for business in Romania, the UK and the US, immediately following the Expiration Deadline (the "**Trade Date**") plus 0.5 per cent.

The Tender Offer is part of the buy-back programme authorized by the resolution of the extraordinary general shareholders' meeting of the Bidder no. 5 of 15 November 2019 published with the Official Gazette of Romania, Part IV, no. 5122 of 9 December 2019 whose purpose is the decrease of the Bidder's share capital.

After the closing of the Tender Offer, the Bidder intends to cancel the GDRs purchased in the Tender Offer in exchange for the underlying Shares and subsequently cancel all the purchased Shares (whether initially purchased in the form of Shares or GDRs) and decrease its share capital by the corresponding nominal value of such cancelled Shares.

**Intermediary:** Investors tendering Shares pursuant to the Tender Offer will be required to tender Shares in accordance with the terms and conditions of the Tender Offer Document (i) through the Intermediary and (ii) at the registered office of any investment firms or credit institutions qualified as participants to the trading system of the BSE, and which (a) have signed and submitted to the Intermediary an irrevocable and unconditional undertaking to observe the terms and conditions of the Tender Offer and applicable laws and (b) have been granted access to the market segment of the BSE used for the Tender

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Offer (the "**Eligible Participants**") The list of Eligible Participants can be found on the website of the Bucharest Stock Exchange ([www.bvb.ro](http://www.bvb.ro)).

**GDR Tender Agent:** Investors tendering GDRs pursuant to the Tender Offer will be required to tender GDRs to The Bank of New York Mellon in its capacity as GDR Tender Agent, in accordance with the terms and conditions of the Tender Offer Document. An Investor holding GDRs (or direct participant of Euroclear or Clearstream, as the case may be, holding GDRs on behalf of such Investor) must tender through either Euroclear or Clearstream, as the case may be.

Date: 4 November 2020

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**Important information**

*The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy, fairness or completeness. This announcement is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase, exchange or subscribe for any securities in any jurisdiction. This announcement does not constitute a prospectus or a prospectus equivalent document.*

*The release, publication or distribution of this announcement in jurisdictions other than Romania, the United Kingdom and the United States may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than Romania, the United Kingdom or the United States should inform themselves about, and observe any applicable requirements. This announcement has been prepared for the purposes of complying with Romanian, US and English law and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any other jurisdiction.*

*The Tender Offer is addressed exclusively to the holders of Shares or, as applicable, GDRs of the Issuer. The tender and purchase of the Securities will be carried out exclusively in accordance with the procedures set forth in the Tender Offer Document.*

*The Tender Offer is being made to Investors resident in the United States in reliance on, and compliance with, Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") and Regulation 14E thereunder. Neither the United States Securities and Exchange Commission (the "**SEC**") nor any U.S. state securities commission or regulatory authority has approved or disapproved of the Tender Offer, passed upon the fairness or merits of the Tender Offer or determined whether the Tender Offer Document is accurate or complete. Any representation to the contrary is a criminal offence in the United States.*

*This announcement, the communication of the Tender Offer, the Tender Offer Document and any other documents or materials relating to the Tender Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The Tender Offer and the communication of such documents and/or materials are only addressed to and directed at persons in the United Kingdom who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) are otherwise persons to whom the Tender Offer and/or such documents and/or materials may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). Neither the Tender Offer nor the Tender Offer Document must be acted on or relied on in the United Kingdom, by persons who are not relevant persons. The Tender Offer is available only to relevant persons in the United Kingdom and will be engaged in only with such persons.*

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*The Bidder does not intend to purchase Shares or GDRs, other than pursuant to the Tender Offer, during the Offer Period. In addition, in accordance with and pursuant to Rule 14e-5(b) of the Exchange Act, affiliates of the Bidder that do not comprise the Bidder's consolidated group and over which the Bidder does not exercise control, and their respective nominees or brokers (acting as agents), and any affiliate of a financial advisor may from time to time make purchases of, or arrangements to purchase, Shares or GDRs outside of the United States, other than pursuant to the Tender Offer, before or during the Offer Period, so long as those acquisitions or arrangements comply with applicable law and the provisions of the exemption provided under Rule 14e-5. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Information about such purchases will be disclosed as and if required by applicable law.*

***None of Auerbach Grayson ("Auerbach") or Swiss Capital S.A. ("Swiss Capital" or the "Intermediary" and, together with Auerbach, the "Agents") or The Bank of New York Mellon as GDR tender agent (the "GDR Tender Agent") and GDR depositary (the "GDR Depositary") (nor their respective directors, officers, employees or affiliates) makes any representation whatsoever regarding this Tender Offer Document or the Tender Offer, and none of the Bidder, its Board of Nominees or management, the Intermediary, the Agents, the GDR Tender Agent or the GDR Depositary (nor their respective directors, officers, employees or affiliates) makes any recommendation to any Investor as to whether to tender or refrain from tendering Shares or GDRs.. No person has been authorised to make any recommendation on behalf of the Bidder, its Board of Nominees or management, the Intermediary, the Agents, the GDR Tender Agent or the GDR Depositary as to whether Investors should tender or refrain from tendering their Shares or GDRs pursuant to this Tender Offer or to make any representation or to give any information in connection with this Tender Offer other than as contained herein. If made or given, any such recommendation, representation or information must not be relied upon as having been authorized by the Bidder, its Board of Nominees or management, the Intermediary, the Agents, the GDR Tender Agent or the GDR Depositary. Investors are urged to evaluate carefully all information in the Tender Offer Document, the Acceptance Form and other related materials and consult their own investment and tax advisors and make their own decisions as to whether to tender or refrain from tendering their Securities.***