

To: Bucharest Stock Exchange

INFORMATION

Important events to be reported:

Results of the Shareholder Consultation Initiative conducted by the Board of Nominees

Franklin Templeton International Services S.À R.L, as alternative investment fund manager and sole director of Fondul Proprietatea SA (the “Fund”), would like to inform investors that, on **23 December 2025**, the Board of Nominees of the Fund has requested the publication of the **Results of the Shareholder Consultation Initiative – attached as annex to this information report** - launched on 3 December 2025 through the publication of the Communication Strategy Presentation and Questionnaire on Fondul website, [here](#).

Below please find the **Executive Summary of the Board of Nominees’ Shareholder Consultation Initiative**, as follows:

Shareholder-Derived Strategic Mandate for Fondul Proprietatea (2025)

Executive Summary

This information report presents the consolidated findings of a structured shareholder questionnaire conducted and coordinated by the Board of Nominees (the “BoN”). The initiative constitutes a unique governance project within the Fund, designed to capture, in a disciplined and methodologically sound manner, shareholders’ expectations regarding strategy, risk appetite, time horizon, and governance priorities.

The results articulate a clear, coherent, and actionable shareholder mandate for the 2025 strategic cycle. Shareholders express strong support for a balanced, disciplined strategy combining value-enhancing asset optimization with predictable distributions, executed under a moderate risk profile and supported by specialized restructuring expertise. Political and regulatory interference remains the dominant systemic risk identified.

This report is intended to inform strategic deliberations of the Fund’s governing bodies and to serve as a reference point in engagements with the Fund’s Alternative Investment Fund Manager.

1. Methodology and Governance Context

The questionnaire was initiated, designed, and analysed under the authority of the BoN, reflecting its statutory role as a representative body safeguarding shareholder interests and ensuring robust governance oversight. The exercise goes beyond conventional investor relations practices and represents an evidence-based governance tool, reinforcing transparency, accountability, and alignment between

Report date:
23 December 2025

Name of the issuing entity:
Fondul Proprietatea S.A.

Registered office:
76-80 Buzesti Street
7th floor, district 1,
Bucharest, 011017

Phone/fax number:
Tel.: + 40 21 200 96 00
Fax: +40 31 630 00 48

Email:
office@fondulproprietatea.ro

Internet:
www.fondulproprietatea.ro

Sole Registration Code with the Trade Register Office:
18253260

Order number in the Trade Register:
J2005021901408

Subscribed and paid-up share capital:
RON 1,664,407,948.32

Number of shares in issue and paid-up:
3,200,784,516

Regulated market on which the issued securities are traded:
Shares on Bucharest Stock Exchange

shareholders and decision-makers.

Responses were analyzed both quantitatively and qualitatively, with open-ended feedback systematically reviewed to identify underlying risk drivers and strategic concerns.

2. Strategic Direction: A Hybrid Value Strategy

A decisive majority of respondents (75%) favour a **hybrid strategy**. Shareholders do not support a binary choice between aggressive asset disposals and passive holding; rather, they mandate:

- Steady and predictable shareholder distributions;
- Active optimisation of the portfolio to unlock long-term value;
- Selective, disciplined asset transactions aligned with valuation and market conditions.

This approach reflects a preference for sustainability, capital discipline, and resilience over short-term tactical repositioning.

3. Risk Appetite: Clear Preference for Moderation

An overwhelming 83% of shareholders explicitly prefer a **moderate risk profile**. The data demonstrates a consistent expectation that the Fund should:

- Balance growth initiatives with capital preservation;
- Avoid aggressive or transformational strategies that materially elevate risk;
- Prioritise downside protection in an uncertain political and regulatory environment.

This risk posture is closely aligned with the Fund's long-term mandate and its shareholder base composition.

4. Investment Horizon: Long-Term Orientation

The questionnaire confirms that 83% of respondents qualify as **long-term investors**, with an investment horizon exceeding three years. This finding provides strong legitimacy for:

- Long-duration value creation initiatives;
- Patient restructuring of complex or illiquid assets;
- Resistance to short-term pressures that could undermine intrinsic value.

The long-term orientation further reinforces the appropriateness of a moderate risk profile and disciplined capital allocation framework.

5. Key Shareholder Concerns

5.1 Asset Sales and Cost Structure

Shareholders identify two principal operational concerns:

- **Excessive or poorly timed asset disposals** (39%);
- **Management fee levels perceived as disproportionate** to outcomes (32%).

These concerns signal a demand for heightened scrutiny of transaction rationale, value-for-money assessments, and cost transparency.

5.2 Dominant Systemic Risk: Political Interference

Qualitative responses converge on a single dominant underlying risk: **political and state interference**. Shareholders view this factor as the most significant structural impediment to value creation, overshadowing market or execution risks.

This finding underscores the importance of:

- Robust governance safeguards;
 - Active engagement with public authorities;
 - Strategic patience and legal resilience in managing state-influenced assets.
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6. Capability Expectations: Restructuring Expertise

A substantial majority (82%) of respondents emphasise that **specialised restructuring expertise**, particularly in relation to unlisted and complex portfolio companies, is the most critical capability requirement at this stage.

Shareholders clearly expect the Fund and its manager to demonstrate:

- Proven operational and financial restructuring competence;
 - Sector-specific expertise;
 - The ability to navigate politically sensitive environments while protecting shareholder value.
-

7. Implications for Governance and Management Oversight

Taken together, the questionnaire results form a coherent shareholder mandate that is:

- Long-term in orientation;
- Moderate in risk tolerance;
- Disciplined in capital allocation;
- Highly sensitive to governance quality and political risk.

The BoN considers that this mandate should serve as a reference framework in evaluating strategic proposals, performance outcomes, and alignment of the Fund's manager with shareholder expectations.

8. Concluding Statement

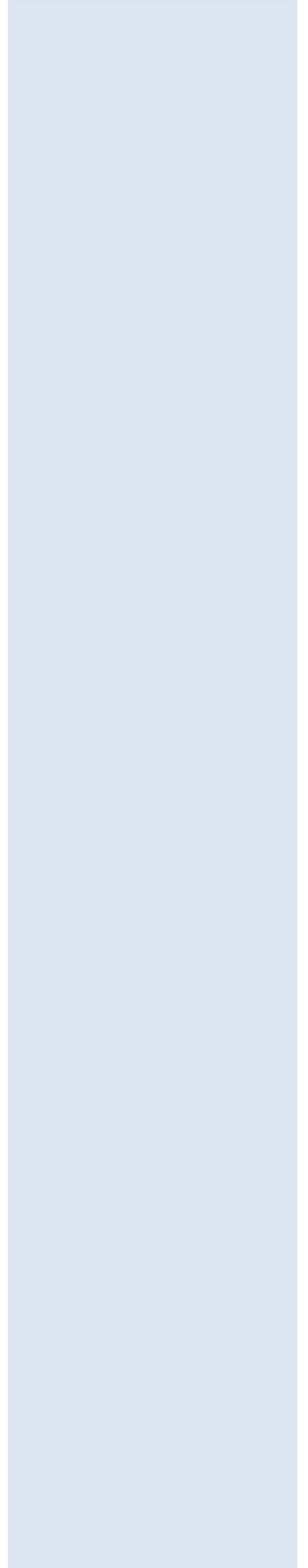
This shareholder questionnaire represents an unprecedented, BoN-led governance initiative within Fondul Proprietatea. It materially enhances the quality of strategic dialogue by anchoring future decisions in empirically derived shareholder expectations rather than assumptions.

The BoN will continue to use the insights derived from this exercise to discharge its mandate with enhanced rigor, independence, and accountability, in the best long-term interests of all shareholders.

Franklin Templeton International Services S.À R.L., in its capacity of alternative investment fund manager and sole director of FONDUL PROPRIETATEA S.A.

Călin METEȘ

Substitute of the Permanent Representative as per FTIS Decision no. 9 dated 20 June 2025



YOUR INVESTMENT, YOUR VOTE

Defining the Mandate for Maximum Value Return

Shareholder Questionnaire – The
Future Management of Fondul
Proprietatea (2025)

RESPONSES



**In total, 244 responses were received,
representing 431.230.492 FP RO shares.**



1. What type of strategy do you prefer?

A) Gradual Liquidation Strategy (current approach):

Distributions are paid out to shareholders while assets are sold off. The Fund would ultimately be wound down once the asset-sale process is completed.

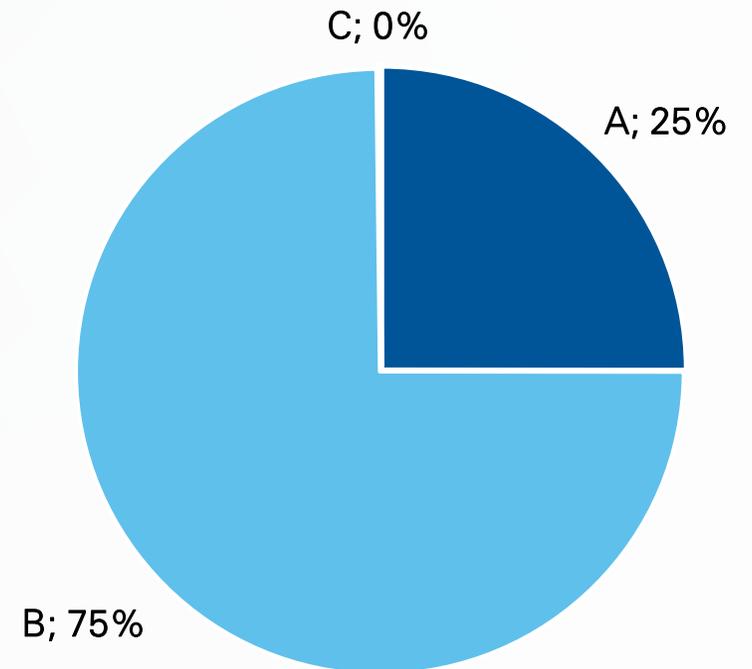
B) Hybrid Strategy:

Delivers steady returns through distributions from strategic assets while high-potential assets are optimized to generate superior long-term gains and future capital appreciation.

C) Growth Strategy:

New investments are prioritized. All future liquidity would be fully reinvested, resulting in no shareholder distributions. If shareholders prefer this approach, its implementation would first require the necessary legal and statutory adjustments.

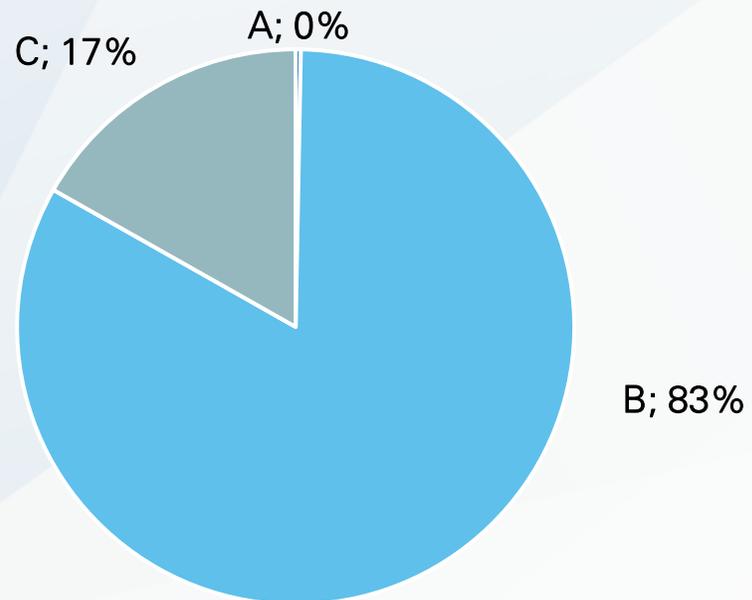
#1	No.responses	No. Shares
A	85	107.865.968
B	149	322.562.553
C	10	801.971



Clear outcome: Hybrid strategy dominates overwhelmingly by both votes and capital.

2. What level of risk are you comfortable with from the manager?

#2	No.responses	No. Shares
A	12	1.289.117
B	173	357.568.376
C	59	72.372.999



A) High risk - aggressive actions to grow the portfolio, no distributions

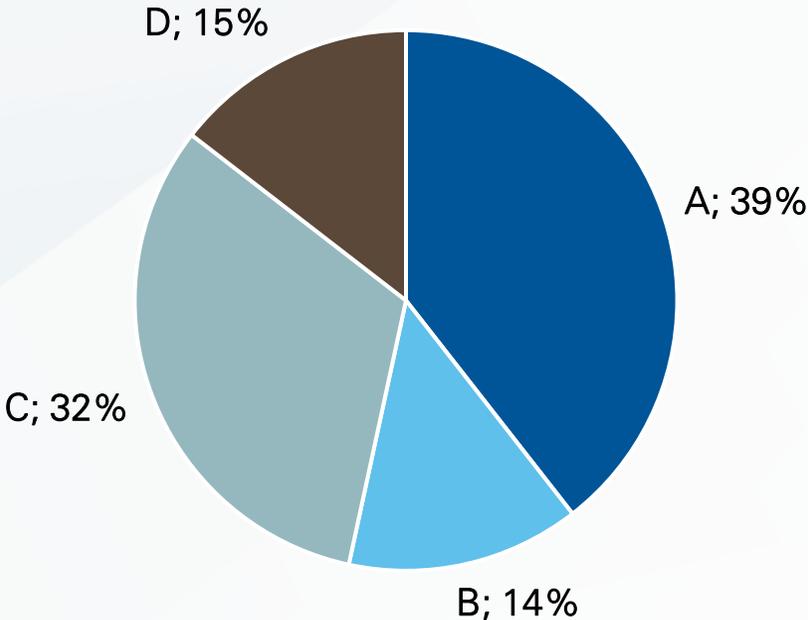
B) Moderate risk - a balance between growth and distributions

C) Low risk - stability and capital protection, with consistent distributions

Clear mandate: Moderate risk, not aggressive repositioning.

3. What is your main concern regarding the continuation of the current strategy?

- A) Excessive asset sales with no long-term plan
- B) Lack of initiative and missed opportunities
- C) Management fees that are too high
- D) Other (Please explain.)



#3	No.responses	No. Shares
A	57	170.221.325
B	95	59.991.112
C	62	138.461.483
D	30	62.556.572

Retail investors focus on initiative, while large shareholders emphasize pace of value realization and costs.

3. What is your main concern regarding the continuation of the current strategy?

Summary of Key Concerns: D) Other

Open-ended responses highlight a strong alignment around a few core concerns.

- The dominant issue is state interference and political risk, including the lack of willingness to list state-controlled portfolio companies, regulatory constraints (e.g. limits on share buybacks), and actions perceived as disadvantaging minority shareholders. Many respondents see the success of the current strategy as overly dependent on the Romanian state's approval, which has so far been inconsistent or absent.
- A second major concern is the lack of IPOs and delayed liquidation, limiting the Fund's ability to exit investments at fair value and prolonging the value realization process. This is closely linked to perceptions of insufficient urgency and the risk of asset sales at undervalued prices.
- Additional concerns include limited influence due to non-majority holdings, high costs and insufficient engagement or transparency in unlisted portfolio companies, and the need for a stronger focus on reducing the NAV discount, increasing NAV, and delivering sustainable shareholder returns.
- Overall, respondents largely support the continuation of the current strategy but stress that external constraints, execution speed, and strategic clarity are critical to its success.

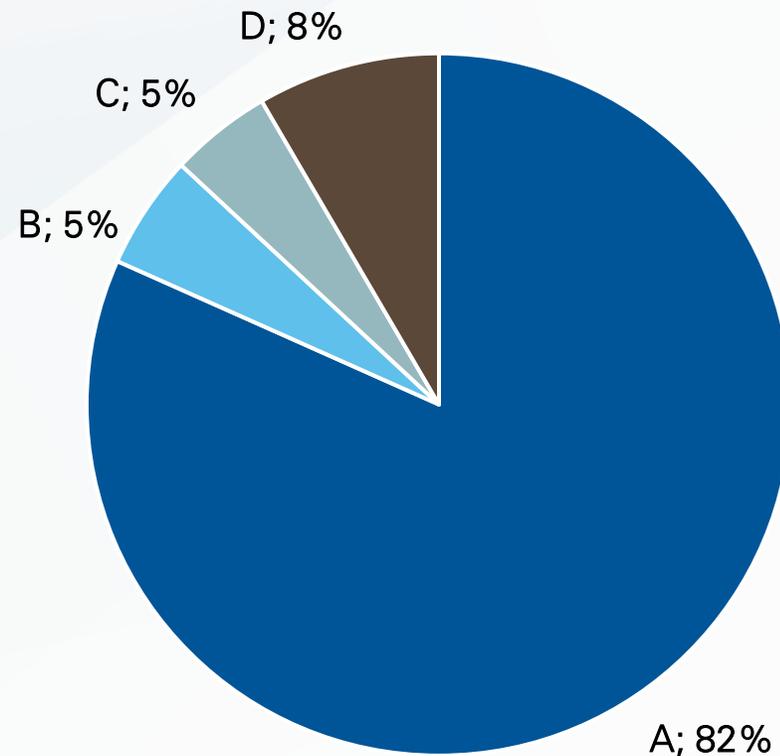
4. Which type of expertise is most important right now?

A) Restructuring (for unlisted companies)

B) Capital markets (for a liquid portfolio)

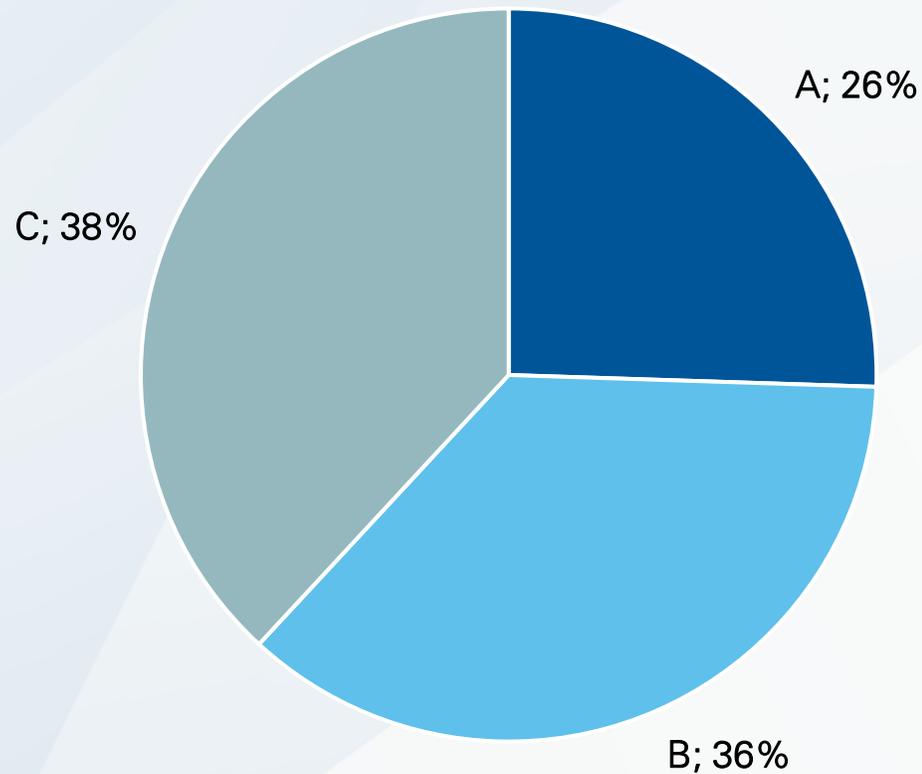
C) Legal & Government relations

D) Mergers & Acquisitions (M&A)



#4	No.responses	No. Shares
A	105	352.288.508
B	80	22.619.434
C	42	20.132.770
D	17	36.189.780

5. Which factor matters most in choosing the manager?



A) Lowest possible fees

B) Strategy + results (performance & discount reduction)

C) A balanced mix of fees, strategy, and results

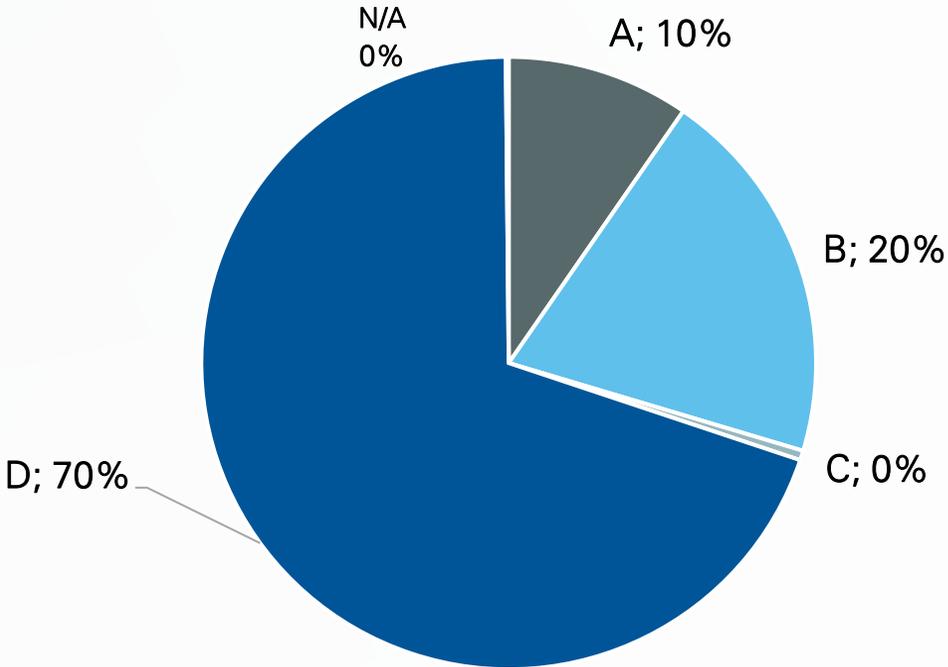
#5	No.responses	No. Shares
A	13	110.016.809
B	123	156.797.660
C	108	164.416.023

6. What type of investor are you?

- A) Individual** - I have held my shares for more than 5 years
- B) Individual** - I have held my shares for more than 6 months but less than 5 years
- C) Individual** - I have held my shares for less than 6 months
- D) Institutional**

Classic structure: Retail dominates numerically; institutions dominate economically.

#6	No.responses	No. Shares
A	71	41.474.654
B	149	86.292.275
C	13	2.186.204
D	7	300.618.460
N/A	4	658.899

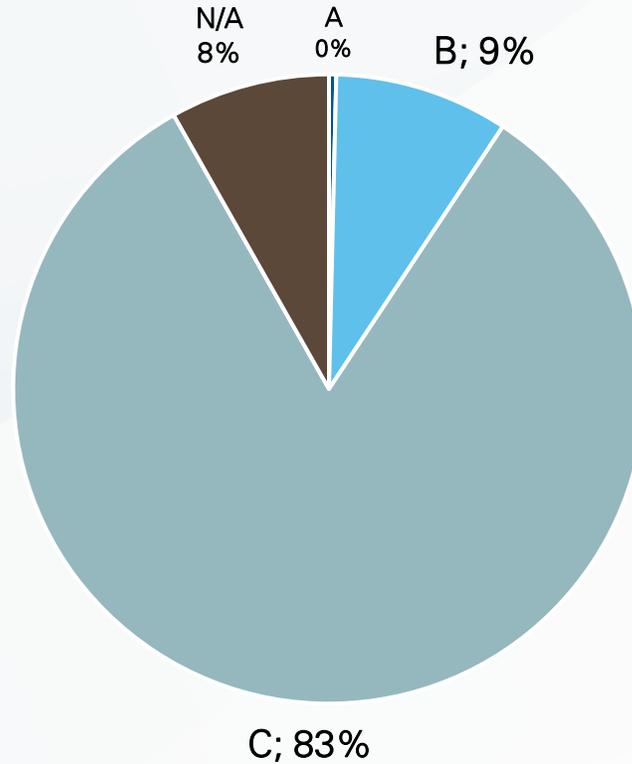


7. What is your investment horizon?

A) Less than 1 year

B) Between 1-3 years

C) More than 3 years



#7	No.responses	No. Shares
A	3	1.591.801
B	57	38.442.415
C	179	355.902.418
N/A	5	35.293.858

Strong long-term shareholder base.

8. What is your current sentiment regarding your investment in FP?

A) Optimistic

B) Cautious

C) Disappointed

D) Satisfied

#8	No.responses	No. Shares
A	112	372.962.862
B	86	46.724.091
C	5	2.632.328
D	39	8.405.933
N/A	2	505.278

