

To: **Bucharest Stock Exchange**  
**Financial Supervisory Authority**  
**London Stock Exchange**

Current report according to Article 234 para. (1) of the Financial Supervisory Authority Regulation no. 5/2018 on issuers of financial instruments and market operations, as well as the provisions of Article 99 letter a) of the Code of the Bucharest Stock Exchange, Title II, Issuers and Financial Instruments.

**Important events to be reported:**

**Update on selection process for an alternative investment fund manager**

Further to Resolution no. 9 / 25 September 2023 of the Ordinary General Meeting of Shareholders ("**OGMS**") of Fondul Proprietatea S.A. ("**Fondul**"), published on Fondul's website, the Board of Nominees ("**BoN**") of Fondul is pleased to provide the following update on the BoN led selection process for a new alternative investment fund manager ("**AIFM**") for Fondul.

Further to the announcement on 21 January 2025, the BoN has, in collaboration with its selection adviser Deutsche Numis, continued to conduct in-depth reviews of submissions from the two candidates which are:

- A Luxembourg-based AIFM, in partnership with a global infrastructure asset manager; and
- A Luxembourg-based AIFM, in partnership with a Romanian asset management advisory firm.

The review process has included (to date):

- In-person sessions with the respective AIFMs and their partners, having as the objective the assessment of the candidates' operational capabilities, proposed strategies and understanding of implementation challenges, as well as of the Romanian legal and regulatory environment.
- On-site visits and assessments of the candidates EU-regulated AIFMs credentials.
- Review of commercial terms proposed by each candidate and a request to each for improved terms from Fondul's perspective.
- Meetings with Numis Securities Limited ("Deutsche Numis") as selection advisor to the BoN in connection with the selection process and assessment of each candidate.
- Meetings with BoN legal advisors to discuss the candidates' regulatory status, proposed governance structure when it comes to managing Fondul, as well as the alignment of the candidates' proposed investment strategies with the regulatory and statutory requirements applicable to Fondul.

After the BoN's review process, the two candidates submitted updated proposals that refine their previous submissions, enhancing the terms, conditions, and overall structure

**Report date:**  
28 March 2025

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

**Registered office:**  
76-80 Buzesti Street  
7<sup>th</sup> floor, district 1,  
Bucharest, 011017

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

**Email:**  
[office@fondulproprietatea.ro](mailto:office@fondulproprietatea.ro)

**Internet:**  
[www.fondulproprietatea.ro](http://www.fondulproprietatea.ro)

**Sole Registration Code with  
the Trade Register Office:**  
18253260

**Order number in the Trade  
Register:**  
J40/21901/2005

**Subscribed and paid-up  
share capital:**  
RON 1,849,342,164.28

**Number of shares in issue  
and paid-up:**  
3,556,427,239

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

GDRs on London Stock  
Exchange

in a manner favorable to Fondul.

Consequently, the BoN today announces that it will now commence a period of consultation with shareholders of Fondul (“**Shareholders**”) for the BoN to obtain Shareholders’ feedback regarding the strategies proposed by the two candidates.

To facilitate these discussions, the BoN additionally discloses the following elements of the two candidates’ submissions.

Shareholders should be aware that both candidates’ proposals remain subject to certain conditions including confirmatory due diligence and the negotiation of a legally binding Investment management agreement and prior shareholders’ approval.

A Luxembourg-based AIFM in partnership with a global infrastructure asset manager intends to:

- Open an office in Bucharest dedicated to the management of Fondul, building on its existing Central and Eastern European infrastructure presence
- Focus on Fondul’s existing infrastructure investments, seeking to maximize shareholder value by protecting and enhancing the value of Fondul’s existing portfolio.
- Should market conditions and shareholder support allow over time, make new investments in long-term critical infrastructure in Romania using listed investment vehicles (to ensure compliance with existing Romanian financial regulations).
- Such investments could be in operational investments, or in support of new greenfield investment in Romanian infrastructure and would need to be accretive to shareholder returns relative to the implied return on further distributions and / or share buybacks.
- Create beneficial liquidity in the portfolio through, to the extent possible, disposal over time of non-core assets and partnering with new investors either at the Fondul or asset level.

A Luxembourg-based AIFM in partnership with a Romanian asset management advisory firm intends to:

- Operate from its existing office in Bucharest, concentrating internal resources on the management of Fondul.
- Implement a new strategy, over extended Fondul lifetime, focused on investing in listed companies within Romania and the broader CEE region, including transactions where Fondul can gain indirect exposure to unlisted companies with strong scaling prospects, using listed investment vehicles (to ensure compliance with existing Romanian financial regulations).
- Extend Fondul’s scope through a fund-of-funds strategy, investing in private

equity and venture capital funds supported by public funding.

- Anticipated commencement of new strategy from 2027 (assuming start of mandate in the third quarter of 2025), following interim period of portfolio management focused on driving growth in the estimated earnings of the current portfolio assets, and risk mitigation and prevention.
- Introduce a flexible distribution policy balancing regular dividends with reinvestments in high-growth, high-yielding opportunities.
- Address limited liquidity in the portfolio through liquidity management strategy (including partial exits, strategic IPOs of portfolio companies, and structured refinancing to unlock capital), new capital raise, and bond issue.
- Absent necessary Romanian regulatory and/or Shareholder approvals for the above, Fondul's current strategy would be continued with ongoing share buybacks based on any exit values and a full dividend distribution policy (net of expenses) and portfolio value increase through developments supported via public grants.

Fondul Shareholders are invited to submit their views on the new strategies by email to [investor.relations@fondulproprietatea.ro](mailto:investor.relations@fondulproprietatea.ro), until 18 April 2025, having as subject line "SHAREHOLDER CONSULTATION ON AIFM CANDIDACIES".

Following the Shareholder consultation and considering feedback received, the BoN intends to enter a period of two-way due diligence and contractual negotiation with one of the candidates, and to provide investors with a further update.

**The Board of Nominees of FONDUL PROPRIETATEA S.A.**

**Ilinca von DERENTHALL**

**Chairperson**