

## CURRENT REPORT

according to Regulation no. 5/2018  
and Law no. 24/2017 on issuers of financial instruments and market operations

Report Date: April 15, 2024

Issuer **Lion Capital S.A.** • Registered office **35A Calea Victoriei, Arad 310158, Romania** • Phone **+40257 304 438** • Fax **+40257 250 165** • Webpage **www.lion-capital.ro** • Email **office@lion-capital.ro** • Tax Identification Code **RO2761040** • Trade Register Number **J02 / 1898 / 02.09.1992** • Number In ASF AFIAA Register **PJR07.1AFIAA / 020007 / 09.03.2018** • Number In ASF FIAIR Register **PJR09FIAIR / 020004 / 01.07.2021** • Legal Entity Identifier (LEI) **254900GAQ2XT8DPA7274** • Subscribed and paid-up share capital **RON 50,751,005.60** • Regulated market on which the issued securities are traded: **Bucharest Stock Exchange (BVB)**  
**Premium category (symbol: LION)**

Important event to be reported:

### **Clarifications regarding the additional items included on the agenda of the OGM and EGM convened for April 29 (30), 2024**

Considering the amendments to the agenda of the ordinary general meeting and the extraordinary general meeting convened for April 29 (30), 2024, with the items requested by the shareholder Blue Capital S.R.L., and the publication of the revised agenda of the two meetings, as per the current report of the Company dated April 12, 2024, Lion Capital S.A. leadership wishes to make the following clarifications for the correct and comprehensive information of investors.

The proposals of the shareholder Blue Capital S.R.L. included on the agenda of the shareholders' general meetings aim at adopting resolutions that involve the withdrawal of significant sums from the Company's assets, on the one hand as dividends (RON 208,627,566 for this purpose), and on the other hand in the form of repurchasing a large number of own shares, with the aim of a significant reduction in share capital (almost 10%, by repurchasing 50,000,000 own shares, which at the current daily average market price of approximately RON 2.95 / share, represent approximately RON 147,500,000.

Lion Capital's leadership highlights the fact that the resolutions proposed by the shareholder Blue Capital, both on the agenda of the ordinary general meeting and on the agenda of the extraordinary general meeting, risk leading to an excessive and unjustified decapitalization, exposing the Company to situations of high vulnerability and liquidity risk increase, especially considering the amplified risk perception in financial markets following recent armed conflicts (such as those in Ukraine and the Middle East, including the recent one caused by Iran), which have periodically resulted in volatility in stock markets, commodity markets, precious metals, and energy markets.

Domestically, the frailty of the domestic economic environment, the electoral context, and the risk of increased taxation to reduce internal macroeconomic imbalances, may lead to periods of volatility in the local capital market.

Considering both the current and future (potential) vulnerabilities within the financial system, as well as the increase in systemic risks to financial stability, in order to prevent the materialization of severe risks, Lion Capital's leadership believes that increased attention should be given to monitoring the evolution of risks to which the fund is exposed, to counteract any vulnerabilities and increase financial and operational resilience, promoting prudent conduct and implementing preventive measures aimed at mitigating or managing specific risks, including by maintaining a

higher level of capitalization to more easily absorb potential shocks from capital markets and/or banking sectors.

Without entering into a debate with the shareholder Blue Capital S.R.L. regarding the allegations made by them in support of their own proposed agenda items for the two general meetings, it is worth noting that there are two possible approaches to fund management: (i) an approach primarily focused on capital distributions to shareholders (e.g., through aggressive share buyback programs, distributing all profits as dividends, etc.), which over time equates to liquidation of the fund's assets and their transfer to shareholders, and (ii) an approach primarily focused on the development and growth of the fund, including through reinvestment of profits, thus ensuring sustainable long-term profitability of the activity, for the benefit of increasing the value created for shareholders, both in terms of the value of assets under management and the value of shares issued by the Company.

We believe it is sufficient to demonstrate that the prudent and balanced approach taken so far by the Lion Capital's leadership in its management activity, focused especially on capitalization and development, has allowed for significant and consistent growth in the quality and value of assets under management, with Lion Capital currently having the highest value of assets under management among the investment funds listed on the Bucharest Stock Exchange (within the BET-FI index).

In conclusion, considering the above, Lion Capital's leadership continues to support the proposals of the Board of Directors of the Company included on the agenda of the two general meetings of shareholders, proposals characterized by a balanced and prudent approach (no dividend distribution, repurchasing a limited number of shares, and maintaining a higher level of capitalization and liquidity), and recommends the investors to exercise prudence in voting, when choosing between the proposals formulated by the Board of Directors of Lion Capital (high capitalization and development) and those formulated by the shareholder Blue Capital S.R.L. (decapitalization through capital distributions).

Chairman and CEO

**Bogdan-Alexandru Drăgoi**

Compliance Officer, Eugen Cristea