

CURRENT REPORT

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

Report Date: February 6, 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:

Disclosure document concerning the shares offered to the members of the management structure

Lion Capital S.A. informs the shareholders that, based on the resolutions adopted by the Extraordinary General Meeting of the Shareholders of the Company of April 27, 2023, as follows:

- EGM Resolution no. 4/27.04.2023 approving the company to carry out a share buyback program for 990,000 shares (Program 7), with the intention of distributing, free of charge, to the members of the Company's management (administrators, directors), for the purpose of retaining their commitment and rewarding them for their activities within the Company;

- EGM Resolution no. 5/27.04.2023, approving:

- (i) the use of shares purchased under the Buyback Program 7 for their distribution free of charge to members of the company's management (administrators, directors), in a share-based payment plan of a "Stock Option Plan" type;
- (ii) the empowerment of the Board of Directors of the Company to take all necessary measures and to fulfil all the formalities required for the approval and implementation of the share-based payment plan of a "Stock Option Plan" type;

Lion Capital's Board of Directors approved on February 5, 2024, the offer, free of charge, of a total of 990,000 shares, to the members of the management structure, under a share-based payment plan of a "Stock Option Plan" type.

The vesting (transfer of shares) will occur upon the fulfilment of the conditions outlined in the "Stock Option Plan" and upon the exercise of the option by each beneficiary, following a 12-month period from the signing of the payment agreements.

The disclosure document concerning the shares offered or allotted to members of Lion Capital's management structure, prepared as per EU Regulation no. 1129/2017 and ASF Regulation no. 5/2018, is annexed hereto.

Chairman and CEO
Bogdan-Alexandru Drăgoi

Compliance Officer, Eugen Cristea

**Disclosure Document Concerning the Shares Offered or Allotted to Members of
Lion Capital's Management**

(Disclosure Document as per EU Regulation no. 1129/2017
and ASF Regulation no. 5/2018)

1. Responsible persons

1.1. Name and position of individuals or name and registered office of legal persons responsible for the information included in the presentation document.

LION CAPITAL S.A. (hereinafter "**Lion Capital**"), with the registered office in Arad, 35A Calea Victoriei, Arad County, registered with the Trade Register Office attached to the Tribunal of Arad under number J02/1898/1992, having the Unique Registration Code 2761040, registered in ASF AFIAA Register under number PJR07.1AFIAA / 020007 / 09.03.2018, registered in ASF FIAIR Register under number FIAIR PJR09FIAIR / 020004 / 01.07.2021, with subscribed and paid-up share capital of RON 50,751,005.60, represented by Bogdan-Alexandru Drăgoi, Chairman of the Board of Directors and CEO.

1.2. Declarations of the responsible persons referred to in point 1.1. to ascertain that the information included in the presentation document is, to their knowledge, in accordance with the facts.

Lion Capital, represented by Bogdan-Alexandru Drăgoi, Chairman of the Board of Directors and CEO, declares and confirms that, to the best of their knowledge, the information provided, and the content of this document are in accordance with the facts and do not contain statements or declarations that are untrue and could significantly affect the content of the document.

2. Information on the issuer

2.1. Name, registered office, fiscal code, and registration number with the Trade Register Office.

Name – Lion Capital S.A.;

Registered office – Arad, 35A Calea Victoriei, Arad County;

Legal form – joint-stock company with private equity;

Company type - Financial investment company classified in the category of Alternative Investment Fund Manager (AIFM) authorized by the Financial Supervisory Authority, classified in accordance with the provisions of Law no. 243/2019 as a closed-end, diversified alternative investment fund, addressed to retail investors (AIFRI), self-managed and authorized by ASF in this capacity.

Fiscal Identification Code – 2761040;

Number in Trade Register Office - J02/1898/1992

Number in ASF AFIAA Register PJR07.1AFIAA / 020007 / 09.03.2018

Number in ASF FIAIR Register PJR09FIAIR / 020004 / 01.07.2021

LEI Code (Legal Entity Identifier): 254900GAQ2XT8DPA7274

2.2. Share capital

Value of subscribed and paid-up share capital: RON 50,751,005.60

- Number of issued shares: 507,510,056 issued shares

- Nominal value per share: RON 0.10

3. Information concerning the offer or allotment of securities to the members of Lion Capital's management

3.1. The decision-making documents that ruled the offer or allotment of securities to the members of Lion Capital's management

The offer of LION shares to the members of the management structure of Lion Capital is grounded on:

a. Resolution no. 4 of the Extraordinary General Meeting of Shareholders of April 27, 2023¹ approving the company to carry out a share buyback program ("Program 7") with the intention of distributing, free of charge, to the members of the Company's management (administrators, directors), for the purpose of retaining their commitment and rewarding them for their activities within the Company;

The maximum number of shares to be repurchased with the intention of distributing free of charge to the members of the Company's management is of 990,000 shares.

The Board of Directors was empowered to take all necessary measures and fulfil all formalities required for the implementation of the Share Buyback Program.

b. Resolution no. 5 of the Extraordinary General Meeting of Shareholders of April 27, 2023² approving the use of the shares purchased under Share Buyback Program 7 for their distribution free of charge to members of the company's management (administrators, directors) in a share-based payment plan of a "Stock Option Plan" type.

By the same resolution of the meeting held on April 27, 2023, the Board of Directors of the company was empowered to take all necessary measures and to fulfil all the formalities required for the approval and implementation of the share-based payment plan of a "Stock Option Plan" type.

c. Decision of Lion Capital's Board of Directors no. 1 of 05.02.2024 approving the offer free of charge to the members of the management structure (administrators, directors) of 990,000 shares in a share-based payment plan of a "Stock Option Plan" type (hereinafter referred to as "SOP" or "Plan").

By Decision of the Board no. 1 of 05.02.2024, it was approved the list of eligible beneficiaries.

The exercise price for the Beneficiaries to exercise the stock option right over the shares is of zero RON / share.

The Beneficiaries of the program can exercise their stock option right at the expiration of a 12-month period from the conclusion of the written agreement with the Company, granting beneficiaries the right to receive, free of charge, shares issued by Lion Capital, subject to meeting the necessary criteria for vesting approved by the Board of Directors and outlined in the Plan and in the individual Share-based Payment Agreements concluded with each beneficiary. Beneficiaries can exercise the option within a period of 2 months from the completion date of the aforementioned 12-month period.

It was approved the empowerment of the administrator (member of the Board of Directors) for signing on behalf of the Company, the Share-based Payment Agreements concluded between the Company and the Beneficiaries.

¹ <https://www.lion-capital.ro/docs/en/current-reports/2023/2023-04-27-EGM-resolutions.pdf>

² <https://www.lion-capital.ro/docs/en/current-reports/2023/2023-04-27-EGM-resolutions.pdf>

3.2. Description of the operation: the reason for the offering of shares, the total number of securities offered, the number of securities offered individually by categories of investors.

The reason for offering the shares

According to the informative materials the decisions of the EGM of April 27, 2023, were grounded, the reasons for offering the members Lion Capital's leadership the shares repurchased within Share Buyback Program 7 are for the purpose of retaining their commitment through the introduction of equity-based compensation tools, this seeking to align the interests of the leadership with the goal of enhancing the efficiency of the management process.

The number of shares offered is of 990,000 shares with the market symbol LION, in accordance with the resolutions of the Extraordinary General Meeting of the Company's Shareholders of April 27, 2023, under a Share-based Payment Agreements of a "Stock Option Plan" type, in compliance with the prevailing legislation.

The implementation of a share-based payment plan of a "Stock Option Plan" type has the benefit of lower operating expenses and tax optimization allowed by the provisions of the Tax Code in force. The Fiscal Code regulates a fiscal treatment favourable to the distribution of shares through programs of Stock Option Plan type. The shares are offered to the members of the senior management of the company, and the determination and quantification of each beneficiary's entitlement are approved by the Board of Directors of the Company. The right granted to the beneficiaries is non-transferable through inter vivos acts.

3.3. Description of the type and class of securities that are offered or allocated.

The shares offered are of the same class, respectively common, registered, indivisible, of equal dematerialized value and issued at nominal value of RON 0.10 / share.

3.4. Subscription period

Beneficiaries of the program may exercise their right to acquire the offered shares at the expiration of a 12-month period after the signing of the payment agreement with the Company.

The Beneficiaries can exercise their right to acquire the shares within 2 months from the date of expiration of the 12-month period specified above, subject to the expiry of the right to exercise the option.

Failure to exercise the option within the agreed term results in the extinguishment of the option exercise right. Lion Capital commits to having the necessary shares for transfer at the time of the Beneficiary's option exercise.

The beneficiaries will vest in the rights arising from the share-based payment plan of a "Stock Option Plan" type upon the fulfilment of the conditions outlined in the Plan and the Payment Agreement. The Company, through the Board of Directors, has the obligation to ascertain the fulfilment of the necessary criteria for vesting and to specifically determine the number of shares to be transferred.

3.5. Subscription price

Shares are offered free of charge, as per the EGM resolutions of April 27, 2023. The tax value of shares acquired free of charge under the Stock Option Plan and the Share-based Payment Agreement is zero, as per the provisions of art. 76 of the Fiscal Code.

As a result of exercising the right to receive the shares free of charge, Beneficiaries who exercise their option in accordance with the provisions of the Plan and the Payment Agreement will receive the allocated shares at a price of zero RON per share. Beneficiaries who do not exercise their option within the timeframe specified in the Agreement lose the right to exercise it.

The market price of the LION share at the time of their offering / allotment under the share-based payment plan of a "Stock Option Plan" type is of RON 2.5600/share, the closing price of the day preceding the approval of the Plan.

3.6. Any other information deemed important by the issuer or by A.S.F.

According to Art. 7 pt. 39 of the Fiscal Code (Law 227/2015 with subsequent amendments and completions), the "stock option plan" is a "program initiated within a legal person by which is granted to its employees, directors and / or directors or its affiliated legal entities referred to in point 26 (c) and (d), the right to purchase at a preferential price or to receive, free of charge, a fixed number of securities, defined in accordance with point 40, issued by that entity."

For the purposes of point 40 of Art. 7 of Fiscal Code, "security" means "any share or other stake (or membership unit) in a partnership, limited partnership, joint stock company, limited partnership, limited liability company, or other person legal or open-ended investment fund".

It is also provided that "For the qualification of a program as a *stock option plan*, the program must cover a minimum of one year between the moment when the right is granted and the time it is exercised (the acquisition of the securities)".

The advantages granted in the form of options under the "Stock Option Plan" are not considered as taxable income, at the time the option is granted and when the beneficiary exercises the option, according to the provisions of Art. 76 par. 4 section r) of the Fiscal Code, also being exempted from the payment of social security contributions, according to the provisions of art. 142 Fiscal Code.

This provision must be corroborated with the provisions of Art. 94 of the Fiscal Code, regarding the determination of the gain / loss from the transfer of securities, as the investment income registered by the eligible persons as a result of the subsequent sale of the shares acquired under the Stock Option Plan are subject to income tax.

The gains from the sale transactions of shares granted under a Stock Option Plan become taxable only at the moment when the beneficiary decides to sell these shares.³

This Disclosure Document has been prepared based on the provisions of Art. 1 par. (4) section i) of Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which stipulate that the preparation and publication of a prospectus are not mandatory for securities offered, allocated, or to be allocated to former or current members of the management or employees by their employer or an affiliated enterprise, provided that a document containing information about the number and nature of the securities, as well as the reasons and details of the offer or allocation, is made available.

**Chairman of the Board of Directors and CEO,
Bogdan-Alexandru Drăgoi**

³ According to the Fiscal Code (Art. 94 par. 3), *in the case of transactions with shares acquired at a preferential or free of charge, under the stock option plan, the gain is determined as the difference between the selling price and the tax value of the preferential purchase price which includes the costs associated with the transaction. For those acquired free of charge the tax value is considered zero.*