



LION CAPITAL

ASSESSMENT OF THE RISK MANAGEMENT AND THE INTERNAL CONTROL SYSTEM FOR 2024 /extract/

According to Lion Capital's internal regulations, the Audit Committee, established at the level of the Board of Directors, is responsible for monitoring and evaluating the effectiveness of the Company's internal control, internal audit, and risk management systems.

In fulfilling these responsibilities, the Audit Committee has reviewed and assessed the internal audit, internal control and compliance, and risk management activities carried out within the Company for the year 2024.

The Committee's objectives in evaluating the effectiveness of the risk management and internal control system included:

- the implementation of adequate procedures and mechanisms that allow for the early identification of potential risk-generating or non-compliant situations;
- ensuring that the risk management and internal control strategy is aligned with the overall business strategy and that the related objectives are consistent with the Company's risk appetite and tolerance;
- ensuring that control activities are carried out by qualified personnel within each relevant department;
- confirming that the risk management and internal control system has contributed significantly to the identification and management of risks through effective action mechanisms;
- ensuring that the reports submitted to the Audit Committee contain relevant and complete information regarding the main activities performed.

The Company has implemented processes and mechanisms for managing any deficiencies or vulnerabilities identified by the key functions in its investment and operational activities. The actions taken by the Company's management to implement the recommendations issued by the key control functions have been carried out within the agreed timelines. Verification and control activities were conducted in accordance with the plan approved by the Board of Directors.

The process of assessing, monitoring, and reviewing the risk management system is carried out annually, focusing on the adequacy and effectiveness of the risk management policy, as well as on the measures, processes, and techniques used for risk identification, assessment, and mitigation.

Based on the analysis of the activity of the three key functions - internal audit, compliance, and risk management - through continuous risk monitoring, periodic risk reporting, scenario analysis, and investment pre-screening, it results that the Company's risk management and internal control system is effective. The measures adopted to monitor and control exposure to identified risks are appropriate and timely, and the recommendations and flagged concerns receive the necessary attention.

It is concluded that the risks faced by the Company are approached holistically, integrated into the overall risk management and internal control process, in compliance with applicable standards and regulations. The Company has developed policies, rules, and procedures designed to support a systematic and comprehensive approach to risk management.