

ITEM 4 ON THE OGM AGENDA

Approval of the of the allocation of the net profit for FY 2025, in the amount of RON 470,882,265, to Other reserves as own financing sources, according to the proposal of the Board of Directors

The current geopolitical environment demands exceptional caution in liquidity management. The outbreak of military conflict between the United States/Israel and Iran in February 2026, accompanied by the closure of the Strait of Hormuz and the disruption of 20–25% of global oil and LNG flows, has already produced pronounced energy price volatility. In an environment where further escalation cannot be ruled out and economic contagion effects may propagate rapidly and non-linearly, this risk warrants sustained attention.

At the global macroeconomic level, the signals are far from reassuring. Global inflation, while marginally declining in 2026, remains structurally elevated, sustained by both geopolitical pressures and sectoral rigidities. The risk of regional stagflation, the toxic combination of anaemic growth and persistent price pressures, is non-negligible, and central banks find themselves constrained from easing monetary policy as long as inflationary pressures fail to subside decisively. In a prolonged high-rate cycle, refinancing costs rise while attractively priced acquisition opportunities multiply, which means that retained liquidity carries greater strategic value than distributed capital.

Escalating trade conflicts, marked by the increasing deployment of punitive tariffs and economic sanctions, are fragmenting supply chains and introducing a degree of unpredictability that renders accurate near- and medium-term valuation exceptionally difficult.

Romania's domestic market context amplifies this logic further. The country is in a technical recession, with GDP growth of just 0.6% in 2025 and a modest recovery to 1.1% projected for 2026. A fragile governing coalition, persistent domestic inflationary pressures, and a current account deficit estimated at –6.4% of GDP collectively paint a picture of structural vulnerability. In this context, distributing profit in the form of dividends would amount to a deliberate reduction of the Fund's capacity to absorb external shocks. Retained capital is currently the most effective instrument of institutional resilience available. In order to strengthen the Company's ability to weather potential capital market shocks and to position it to benefit from short-lived periods of elevated volatility, the Board of Directors of Lion Capital S.A. hereby proposes for approval by the General Meeting of Shareholders that no dividend be distributed and that the Company's capitalisation be maintained at the highest achievable level.

In this context, considering the structure of income achieved in the financial year 2025, namely Dividend Income and Gain on Financial Assets at Fair Value through the Profit and Loss Account, as well as the estimated financing needs for the next period, the Board of Directors proposes to the General Meeting of Shareholders the approval of the allocation of the net profit achieved in 2025, amounting to RON 470,882,265, to Other reserves as own financing sources.

Bogdan-Alexandru DRĂGOI
Chairman of the Board of Directors

This is an English translation of the Informative materials for the OGM Agenda, approved by the Board of Directors. The Company provides this translation for shareholders' reference and convenience. If the English version of this informative material differs from the Romanian version, the latter prevails.