ACTIVITY PLAN AND BUDGET FOR 2026

Economic environment

Romania's macroeconomic forecasts point to a mild recovery in economic activity in 2026, following a 2025 in which real GDP growth came in at approximately 0.6%. The recovery is expected to gain modest momentum in 2026, with growth projected at around 1.1%, and 2.1% in 2027. This trajectory is attributed primarily to a rebound in external demand, improving financial conditions, and the resilience of private consumption and investment.

At the start of 2026, the National Bank of Romania revised its inflation forecast upward, on the back of unanticipated price increases in certain consumption basket components and a less favourable evolution of core inflation. This trend reflects rising energy prices, tax and levy increases, and moderating wage growth, alongside underlying pressures that are gradually easing — although some may persist in the context of rising disposable incomes. The updated forecasts announced by Governor Isărescu stand at 3.9% for end-2026 and 2.9% for end-2027.

Romania's labour market is expected to remain relatively stable, with the unemployment rate projected at approximately 5.8% in 2026. Labor market tensions are forecast to ease modestly, and while moderate wage growth continues to support purchasing power, it is expected to temper as inflation declines. These dynamics should contribute to broader economic stabilization, even as the medium-term outlook conceals significant challenges.

On the external side, Romania continues to run a current account deficit, projected at approximately –6.4% of GDP in 2026. This reflects, on one hand, an anticipated recovery in exports and some moderation in imports, along with improved absorption of available EU funds, and on the other, the significant impact of stronger domestic demand, which provides a positive impulse to consumption but also drives higher import volumes. Recovery prospects are contingent on the adoption of sound economic policies designed to stimulate and sustain domestic economic activity, a meaningful challenge under current political conditions, characterized by a polarized landscape within the governing coalition.

The 2026 outlook remains ambivalent: on one hand, there are signs of stabilization and a potential moderate return to growth; on the other, domestic and external risks, ranging from the slow pace of GDP recovery and persistently above-target inflation to fiscal vulnerabilities and labour market fragilities, call for a prudent and coordinated approach to economic policy.

The current geopolitical environment, however, demands exceptional caution in liquidity management. The outbreak of military conflict between the US/Israel and Iran in February 2026, the blockade of the Strait of Hormuz, and the resulting disruption of 20–25% of global oil and LNG flows have already generated pronounced energy price volatility. In such an environment, where further escalation cannot be ruled out, economic contagion effects may propagate rapidly and non-linearly.

At the global macroeconomic level, the signals are far from reassuring. Global inflation, while edging down in 2026, remains structurally elevated, fuelled by both geopolitical factors and sectoral rigidities. The risk of regional stagflation — a toxic combination of anaemic growth and persistent prices — is non-negligible, and central banks find themselves in the difficult position of being unable to ease monetary policy as long as inflationary pressures do not recede decisively. In a prolonged high-interest-rate cycle, refinancing costs rise and attractively priced acquisition opportunities multiply, giving retained liquidity a strategic value superior to that of distributed capital.

Escalating trade wars, marked by the increasingly frequent application of excessive tariffs and economic sanctions, are weakening supply chains and introducing a level of unpredictability that makes reliable short- to medium-term assessment exceptionally difficult. Protectionism and trade wars, through the mounting use of tariffs and economic sanctions, risk destabilizing the economies of the countries involved and generate an uncertain economic climate that suppresses both private investment and consumption. In extreme scenarios, severe restrictions on critical technologies could even trigger the unraveling of supply chains.

Lion Capital's objectives on the long term

The long-term investment strategy of Lion Capital S.A. aims to maximize portfolio performance, with the goal of increasing the value of assets under management and investment income.

The Fund's objective is to efficiently manage a diversified portfolio of quality assets capable of providing a steady flow of income, preserving and growing medium to long-term capital, with the aim of increasing shareholder value and achieving higher returns on invested capital.

Strategic allocations across asset classes and within each class, as well as occasional rebalancing, are based on evaluations of existing holdings and investment opportunities in the current market and economic context.

Lion Capital S.A. has under management a diversified portfolio, composed of the following main categories of financial instruments: stocks, bonds, and fund units. We implement an exit strategy tailored to the specifics of each investment, defined based on long-term investment strategy and objectives, as well as exit transaction conditions (triggers).

The individual approach for each holding aims to ultimately achieve an aggregate return composed of both dividend income and capital gain.

We aim to maintain exposure to companies and/or financial instruments that benefit from an inflationary environment.

Main lines of action in 2026

- *Calibration of the portfolio on financial assets / instruments that benefit from an inflationary context*

Lion Capital aims to maintain exposure on companies and/or financial instruments that benefit from an inflationary environment. Additionally, will be considered opportunities that may arise during periods of capital market volatility.

The *real estate* sector continues to be of interest, seen as both a diversification instrument and a means of preserving/growing capital exposed to this sector. Although the real estate market did not contract, the volume of transactions in the residential segment decreased significantly compared to previous years due to elevated bank interest rates. However, non-residential real estate investments may serve as an alternative for preserving value over the medium term and for achieving a high long-term yield.

- *Portfolio restructuring by liquidating minority interests that do not fit the Fund's investment strategy*

In 2026, the Fund will assess divestiture opportunities in underperforming portfolio companies or those no longer aligned with its investment strategy, with a view to enhancing the overall quality of the managed portfolio. This will be accompanied by a continued exit from holdings where growth potential has been exhausted.

Proceeds from these divestments will serve as a source of capital for redeployment into assets offering superior risk-adjusted returns, while preserving the portfolio's target risk profile and ensuring sustainable long-term profitability — ultimately in the service of delivering enhanced value creation for shareholders.

- *Consolidation of the strategic interest portfolio*

Through its policy of active engagement in the management of majority-held portfolio companies, the Fund seeks to drive business development and enhance the operational and financial performance of these entities. Via Lion Capital's representatives on the Boards of Directors, the Fund promotes and supports the appointment of professional management teams.

These holdings are subject to continuous and rigorous analysis and monitoring by the Fund's analysts, encompassing financial results, forward-looking prospects, opportunities, and potential risks, with the dual objective of fostering the implementation of operational efficiency measures and instilling sound corporate governance practices alongside modern management techniques.

Ongoing monitoring is equally extended to companies in which the Fund holds a minority interest. In such cases, close and consistent attention is given to operational developments, financial results, and the resolutions and strategies of controlling shareholders, with a view to maintaining a comprehensive and

well-informed picture of the outlook, potential benefits, and any implications that may bear upon minority shareholders — and, where warranted, to asserting and defending their rights in accordance with applicable legal and statutory provisions.

• *Maintaining a diversified portfolio of assets under management*

Portfolio diversification, both across asset classes and within them, aims to ensure an optimal balance between risks and expected profits, within the regulated prudential conditions.

The goal is to maintain a diversified portfolio while complying with the investment policy and medium/long-term objectives declared by Lion Capital as an AIFM (Alternative Investment Fund Manager). Investments in financial instruments with lower exposure in the current structure, apart from equities (shares), may include fixed-income instruments, fund units, or other financial instruments permitted by applicable regulations.

Portfolio management and development will be conducted in correlation with the Fund's overall risk profile and under rigorous risk management.

The Board aims not to substantially utilize leverage in the management of the financial instrument portfolio throughout 2026, to align with the assumed medium-risk profile.

• *Sustainability, ESG criteria*

The Company's strategy on the integration of sustainability risk into the investment decision-making process focuses on sustainable development objectives, with financial instruments of issuers for which there is exposure or intended investment being subjected to sustainability testing based on ESG criteria.

Awareness and application of ESG (environmental, social, governance) criteria in investments and business become essential in the context of risks posed by climate change. Adopting and implementing ESG criteria in investments and businesses can help minimize these risks and improve long-term performance.

At present, the Fund does not consider the potential negative effects of investment decisions on sustainability factors, and analyses the sustainability risk of issuers regarding the criteria applied to determine whether an economic activity qualifies as sustainable and substantially contributes to one or more sustainability objectives.

The Fund will analyse and review the internal policies regarding the integration of sustainability risks into investment decision-making processes, if the case.

Additionally, it will continue evaluating the stock portfolio based on ESG criteria, depending on available ESG scores and non-financial reports of issuers.

Furthermore, there will be continued the qualitative assessment of sustainability risk at the organizational level, based on the analysis of the impact of asset management activities on the environment, and improvement of measures for managing social aspects, diversity, and sustainable governance.

Through its actions, Lion Capital will promote professionalism, excellence, innovation, responsibility, teamwork, diversity, and commitment. In the implementation of social responsibility policies, Lion Capital makes every effort to ensure continuous respect for fundamental human rights, encouraging and continuously developing best practices in this field.

Good corporate governance and transparency in relations with investors, the general public, the media, and the business environment are constants in Lion Capital’s leadership efforts. It is believed that through improved activity and sustainable financial performance in the medium and long term, both shareholder and investor trust in the Fund’s management initiatives, as well as the company’s attractiveness in the capital market, are gained.

• *Proactive risk management*

The risk management objectives for 2026 aim to proactively manage risks under the following aspects:

- identifying potential risk-generating events in the activities associated with Lion Capital's portfolio management and its secondary risks to increase the level of response to identified events beyond the Company's control.

- proactive management through constant monitoring of risk systems and processes.
- regular reviews of risks to update the current risk profile and identify new risks affecting the company.
- frequent testing and remediation of vulnerabilities to eliminate the respective threat.
- implementation of specific legal regulations in the field of activity (both local and European directives and regulations) and adapting work procedures to new regulations regarding AIFM/AIF activities.

Income and Expenses Budget for the year 2026

To substantiate the Income and Expenses Budget for the year 2026, the following hypotheses were considered:

- *achieving the income, expenses, as well as the net result as of December 31, 2025*.
- *the inflation rate* forecasted by the National Bank of Romania (BNR) for the year 2026 (Q4) of 3.9%, with an uncertainty interval of ±2%.
- *the estimated average level of interest rates* for bank deposits in RON and EUR.
- *estimated gross dividend income* amounting to RON 153m, representing gross dividend income to be collected from portfolio companies for FY 2025.
- *volume of interest income* estimated at RON 24.2m, determined based on the current level of monetary placements, influenced by cash inflow/outflow proposals for 2026 and the estimated interest rate for 2026.
- *influences of MTM on assets at fair value through profit and loss* were not estimated.
- *proposed expenses on salaries, allowances, related contributions, and similar expenses*, based on the wage bill for January 2026, possible increases during the year, a reward fund for employees, and a reward fund for achieving objectives/profits.
- *financial investments* to be made based on opportunities and market trends.
- *share buyback*, which will generate cash outflows.
- *endowments* - mainly consisting of computing equipment, office supplies, software, licenses, etc.

BUDGET PROPOSAL FOR THE YEAR 2026

No.	Specifications	Proposals 2026 (RON)
I	**Income**	
	Dividend income	153,053,569
	Interest income	24,250,658
II	**Gain / (Loss) on investments**	
	Gain/(Loss) from valuation of financial instruments	-
III	**Expenses**	
	Commissions expenses	8,472,013
	Other operating expenses	37,520,985
IV	**Profit before tax**	**131,311,230**
V	Tax on gross due dividend	7,652,678
VI	**Net profit for the year**	**123,658,551**

Income estimated to be achieved in 2026 include:

- **Dividend income** that represents the gross value of dividends estimated to be collected during 2026, from portfolio companies, according to the most likely distribution scenarios at the time of budget drafting. The dividend income estimation was based on publicly available information regarding profit allocation by listed companies in the portfolio and assessment based on preliminary results and the dividend policy of unlisted companies.

- **Interest income** is related to monetary placements (bank deposits, bonds, and loans granted), held in RON and EUR, estimated based on the average volume of placements expected to be invested during the year 2026 in these types of assets.

Estimated gain / (loss) on investments - no amounts were estimated for this item for 2026.

Total expenses estimated for 2026 include:

- **Commission expenses** include commissions payable to ASF on market net asset value, Depozitarul Central for keeping the records of shareholders, depository bank, to Bucharest Stock Exchange, and financial investment services companies (brokerage firms).
- **Other operating expenses** include:
  - **Expenses with personnel, administrators (Board members), and executives (directors)**, representing salaries, allowances, bonuses, social contributions, etc. Here were included the expenses with the stock option plan programs, ongoing or subject for the approval in 2026.
  - **Additional expenses** comprise costs of services, travel, maintenance costs, utilities, supplies, depreciation, etc.
  - **Other expenses** mainly include expenses for organizing the general meetings of shareholders, investor relations activities, promotional activities and publication of materials, expenses of protocol.

Gross profit estimated for the year 2026 is in the amount of RON 131.3m.

Tax on due gross dividend (to be collected) - is estimated in the amount of RON 7.6m and includes tax on income form gross dividends estimated to be achieved in 2026, budgeted.

The net result proposed to be achieved in 2026 is in the amount of RON 123.7m.

NOTE: The Income and Expenses Budget was prepared based on the management's best estimates given the information available at the time of preparation, weighted with a prudent approach of the main risks affecting the outlook for 2026.

The developments in the regional geopolitical condition and the global economic outlook, along with their social and economic impacts and consequences for Romania, cannot be reliably anticipated, leading to the inability to forecast, in a reasonable manner, possible variations in the financial performance of the Fund throughout the 2026 financial year.

Bogdan-Alexandru DRĂGOI
Chairman of the Board of Directors