Lion Capital S.A.

Condensed interim separate financial statements
as of June 30, 2023

prepared in accordance with Norm no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to entities authorised, regulated, and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector

unaudited

FREE TRANSLATION
from Romanian, which is the official and binding version

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Condensed statement of profit and loss and other comprehensive income as of June 30, 2023

Denominated in RON	***Note***	**June 30, 2023**	**June 30, 2022**
Income			
Dividend income	*5*	56,893,964	127,011,857
Interest income (assets at amortized cost, assets at FVTOCI)	*6*	670,146	822,903
Interest income (assets at FVTPL)	*6*	5,693,629	1,970,666
Other operating revenues		79,928	576,969
Gain/(Loss) on investment			
Gain/(Loss) on investment property			-
Gain/(Loss) on foreign exchange differences		676,463	(296,296)
Gain/(Loss) on financial assets at FVTPL	*7*	70,276,080	(99,005,511)
Expenses			
Commissions expenses	*8*	(2,304,198)	(2,146,620)
Other operating expenses	*9*	(8,264,290)	(7,474,916)
Profit/(Loss) before tax		**123,721,722**	**21,459,052**
Income tax	*10*	(5,427,383)	(9,077,130)
Net profit/(loss) for the period		**118,294,339**	**12,381,922**
Other comprehensive income			
Items that are or could be transferred to profit and loss			
Amounts that could be transferred to profit and loss (debt instruments)		-	(58,049)
Items that are or could be transferred to retained earnings			
Change of fair value related to financial assets measured through OCI		103,613,508	(278,606,181)
Effect of income tax		(15,701,241)	43,897,028
Other comprehensive income		**87,912,267**	**(234,767,202)**
Total comprehensive income for the period		**206,206,606**	**(222,385,280)**
Earnings per share			
Basic		0.2334	0.0244
Diluted		0.2334	0.0244

The condensed interim financial statements were approved by the Board of Directors on August 31, 2023, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman and CEO

Bogdan-Victor Dușu
CFO

Condensed statement of financial position as of June 30, 2023

Denominated in RON	***Note***	**June 30, 2023**	**December 31, 2022**
Assets			
Cash and cash equivalents	*11*	205,957,465	26,615,152
Other financial assets	*14*	4,985,813	12,834,480
Other assets		232,029	328,155
Financial assets at fair value through profit and loss (FVTPL)	*12*	1,712,942,247	1,723,810,844
Financial assets at fair value through other comprehensive income (FVTOCI) (shares)	*13*	1,664,133,630	1,624,523,020
Assets representing rights to use the underlying assets under leasing contract		352,302	476,645
Investment property	*15*	12,963,376	12,963,376
Tangible assets (items of property, plant, and equipment)		3,579,171	3,711,480
Total assets		**3,605,146,033**	**3,405,263,152**
Liabilities			
Payable dividends		9,956,746	10,042,310
Other financial liabilities	*16*	3,937,520	15,038,374
Other deferred liabilities and revenues		10,454	251,682
Liabilities on leasing contract		397,224	530,880
Liability on deferred income tax	*17*	145,503,108	136,546,721
Total liabilities		**159,805,052**	**162,409,967**
Equity (own capital)			
Share capital	*18*	50,751,006	50,751,006
Treasury shares	*18*	(2,494,800)	-
Losses from the share buyback		(31,973)	-
Benefits granted in equity instruments		808,500	2,000,537
Other reserves	*18*	1,699,567,035	1,604,099,887
Reserves from the revaluation of tangible assets		1,176,569	1,176,569
Legal reserves	*18*	10,150,201	10,150,201
Reserves from revaluation of financial assets designated at FVTOCI	*13, 18*	800,101,765	741,827,359
Retained earnings	*18*	885,312,678	832,847,626
Total equity (own capital)		**3,445,340,981**	**3,242,853,185**
Total liabilities and equity		**3,605,146,033**	**3,405,263,152**

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Condensed Statement of Changes in Equity as of June 30, 2023

Denominated in RON	**Share capital**	**Treasury shares**	**Losses on share buyback**	**Legal reserves**	**Reserves from the revaluation of financial assets at fair value through other comprehensive income**	**Reserves from revaluation of tangible assets**	**Benefits granted in equity instruments**	**Other reserves**	**Retained earnings**	**Total**
Balance on January 1, 2023	**50,751,006**	**-**	**-**	**10,150,201**	**741,827,359**	**1,176,569**	**2,000,537**	**1,604,099,887**	**832,847,626**	**3,242,853,185**
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	118,294,339	118,294,339
Reserve from revaluation of financial assets transferred to profit and loss	-	-	-	-	-	-	-	-	-	-
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-	-	(35,977,528)	-	-	-	35,977,528	-
Change in reserve	-	-	-	-	103,613,508	-	-	-		103,613,508
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	(9,361,573)	-	-	-	(6,339,668)	(15,701,241)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**58,274,406**	**-**	**-**	**-**	**147,932,200**	**206,206,606**
Other reserves – own sources	**-**	**-**	**-**	**-**	**-**	**-**	-	95,467,148	(95,467,148)	**-**
Change of granted benefits	-	2,217,600	28,420	-	-	-	(1,192,037)	-	-	1,053,983
Share buyback	-	(4,712,400)	(60,393)	-	-	-	-	-	-	(4,772,793)
Total transactions with shareholders recognized directly in equity	**-**	**(2,494,800)**	**(31,973)**	**-**	**-**	**-**	**(1,192,037)**	**95,467,148**	**(95,467,148)**	**(3,718,810)**
Balance on June 30, 2023	**50,751,006**	**(2,494,800)**	**(31,973)**	**10,150,201**	**800,101,765**	**1,176,569**	**808,500**	**1,699,567,035**	**885,312,678**	**3,445,340,981**

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Condensed Statement of Changes in Equity as of June 30, 2023

Denominated in RON	**Share capital**	**Treasury shares**	**Losses on share buyback**	**Legal reserves**	**Reserves from the revaluation of financial assets at fair value through other comprehensive income**	**Reserves from revaluation of tangible assets**	**Benefits granted in equity instruments**	**Other reserves**	**Accumulated profit**	**Total**
Balance on January 1, 2022	**51,542,236**	**(21,363,229)**	**(330,998)**	**10,308,447**	**984,425,325**	**1,176,569**	**-**	**1,249,578,037**	**1,140,789,898**	**3,416,126,285**
Profit/(Loss) for the period	-	-	-						12,381,922	12,381,922
Reserve from revaluation of financial assets transferred to profit and loss	-	-	-						-	-
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-		(2,092,626)	-	-	-	2,092,626	-
Change in reserve	-	-	-		(278,675,287)	-	-	-	-	(278,675,287)
Revaluation of tangible assets	-	-	-		-	-	-	-	-	-
Related deferred tax	-	-	-		43,547,078	-	-	-	361,006	43,908,085
Total comprehensive income for the period	**-**	**-**	**-**		**(237,220,834)**	**-**	**-**	**-**	**14,835,554**	**(222,385,280)**
Other reserves – own sources	**-**	**-**	**-**	**-**	**-**	**-**	-	356,550,501	(356,550,501)	**-**
Payable dividends for 2020	-	-	-	-	-	-	-	-	(30,450,603)	(30,450,603)
Lapsed dividends	-	-	-	-	-	-	-	-	-	-
Change of granted benefits	-	-	-	-	-		909,335		-	909,335
Cancellation of treasury shares	-	-	-	-	-				-	-
Total transactions with shareholders recognized directly in equity	**-**	**-**	**-**	**-**	**-**		**909,335**	**356,550,501**	**(387,001,104)**	**(29,541,268)**
Balance on June 30, 2022	**51,542,236**	**(21,363,229)**	**(330,998)**	**10,308,447**	**747,204,491**	**1,176,569**	**909,335**	**1,606,128,538**	**768,624,348**	**3,164,199,737**

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CFO

Condensed cash flow statement as of June 30, 2023

Denominated in RON	***Note***	**June 30, 2023**	**June 30, 2022**
Operating activities			
Net profit/(Loss) for the period		**118,294,339**	**12,381,922**
Adjustments for:			
Depreciation of tangible and intangible assets		267,540	273,186
(Gain)/Loss from financial assets at fair value through profit and loss	*7*	(70,276,080)	99,005,511
Dividend income	*5*	(56,893,964)	(127,011,857)
Interest income	*6*	(6,363,775)	(2,793,569)
Expenses on interest on leasing contract		13,037	20,702
Expenses/(Income) on foreign exchange differences financial, assets and financial liabilities, other expenses		(215,767)	(563,610)
Benefits granted in equity instruments		963,967	909,335
Income tax	*10*	5,427,383	9,077,130
Changes in operating assets and liabilities			
Change in other assets (claims, etc.)		175,629	296,177
Change in other financial liabilities		(3,180,488)	22,034,053
Income tax paid		-	-
Net cash used in operating activities		**(11,788,180)**	**13,628,979**
Investment activities			
Payments for acquisition of financial assets measured at FVTOCI (shares, bonds)	*13*	(195,886)	(230,056,864)
Proceeds from sales of financial assets measured at FVTOCI (shares, bonds)	*13*	64,198,783	3,186,540
(Placements) / Proceeds from term deposits greater than three months		-	79,198,863
Proceeds from sale/repurchase of assets at FVTPL (shares, fund units, bonds)		76,270,484	
Payments for purchase of assets at FVTPL (shares, fund units, bonds)		-	(657,463
Proceeds from sale of tangible assets and investment property			-
Payments for purchases of tangible assets		(4,200)	(13,386)
Dividends collected		51,734,439	119,264,630
Interest collected		4,132,668	1,715,931
Net cash from investment activities		**196,136,289**	**(27,361,749)**
Financing activities			
Payments related to leasing		(147,439)	(147,982)
Dividends paid		(85,564)	-
Share buyback		(4,772,793)	-
Net cash used in financing activities		**(5,005,796)**	**(147,982)**
Net increase / (Decrease) in cash and cash equivalents		**179,342,313**	**(13,880,752)**
Cash and cash equivalents on January 1		**26,615,152**	**260,126,530**
Cash and cash equivalents at the end of the period		**205,957,465**	**246,245,778**

The condensed interim financial statements were approved by the Board of Directors on August 31, 2023, and were signed on its behalf by:

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Chairman and CEO

Bogdan-Victor Dușu
CFO

1. Reporting entity

Lion Capital ("the Company") was established based on Law no. 133/1996 by the reorganization and transformation of Fondul Proprietății Private (Private Ownership Fund) Banat-Crișana and it is a joint stock company operating under Law 31/1990. The company is established as a self-managed investment company, authorized by the Financial Supervisory Authority as an Alternative Investment Fund Manager (AIFM) - Authorization no. 78 / 09.03.2018, classified in accordance with the provisions of Law no. 243/2019 as a closed, diversified alternative investment fund, addressed to retail investors (AIFRI) (Ro: FIAIR). The Financial Supervisory Authority issued the Authorization no. 130/01.07.2021 authorizing the Company as Alternative Investment Fund addressed to Retail Investors (AIFRI).

The company changed its corporate name from Societatea de Investiții Financiare Banat-Crișana S.A. to **Lion Capital S.A.** starting with March 24, 2023.

The Company also prepares annual and half-yearly consolidated financial statements, as final parent-company for the entities in the Group.

Lion Capital is headquartered in Arad, 35A Calea Victoriei, Arad County, postal code 310158, tel.: +40257 304 438, fax: +40257 250 165. The registration number in the Trade Register Office is: J02/1898/1992, and the tax identification number is: RO 2761040.

The main activity of the company:
- portfolio management;
- risk management;
- other activities auxiliary and associated to the collective investment activity, in accordance with the regulations in force.

The Company's shares are listed on the Bucharest Stock Exchange since November 1st, 1999, and are traded on the regulated market, Premium category, with the stock symbol SIF1. Starting with May 15, 2023, the stock symbol is LION, formerly SIF1.

The depositary bank of the Company, starting November 28, 2019, is Banca Comercială Română (BCR), until that date being BRD - Groupe Société Générale (from January 29, 2014).

The company providing shareholders' registry services is Depozitarul Central SA Bucharest.

2. Basis of preparation

(a) Statement of compliance

These condensed interim financial statements as of June 30, 2023, were prepared up in accordance with Norm no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector (the Norm) and with the requirements of IAS 34 "Interim financial reporting" and must be read together with the separate financial statements for 2022.

In accordance with Regulation no. 1606/2002 of the European Parliament and of the Council of the European Union of July 19, 2002, as well as with Law no. 24/2017 on issuers of financial instruments and market operations from 2017, the Company has to prepare and submit to the Financial Supervisory Authority (ASF) annual consolidated financial statements, in accordance with IFRS, within 4 months from the end of the financial year financial. The company prepared and made public the consolidated financial statements for the financial year 2022.

The business segments are reported in a manner compatible with internal reporting, analysed by the Company's main decision-maker (the Board of Directors), which is responsible for allocating resources and evaluating the performance of the operating segments. Reportable segments whose revenues, result or assets are ten or more percent of all segments are reported separately. The Company manages all activities as a single reportable business segment.

(b) Presentation of the financial statements

The Company has adopted a presentation based on liquidity in the condensed interim statement of financial position and a presentation of income and expenses according to their nature in the interim condensed statement of comprehensive income, considering that these methods of presentation provide information that is reliable and more relevant than the information presented on other methods allowed by IAS 1 "Presentation of financial statements".

(c) Basis of measurement

The condensed interim financial statements are prepared on a fair value basis convention, for the financial assets and liabilities, at fair value through profit and loss or by other comprehensive income.

Other financial assets and liabilities, as well as non-financial assets and liabilities, are stated at amortized cost, revaluated amount, or historical cost.

(d) Functional and presentation currency

The Company's management considers that the functional currency, as defined by IAS 21 "The effects of changes in Foreign Exchange Rates", is the Romanian Leu (RON or lei). The condensed interim financial statements are presented in RON, rounded to the nearest unit, which is the presentation currency chosen by the Company's management.

(e) Use of estimates and judgements

The preparation of the condensed interim financial statements pursuant to IFRS requires that management makes estimates, judgements, and assumptions that affect the application of accounting policies as well as the reported value of assets, liabilities, income, and expenses.

Such estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the given circumstances. The result of these estimates forms the basis of judgments used in assessing the carrying value of assets and liabilities for which no other evaluation sources are available. Actual results may differ from the estimated values.

The estimates and underlying assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period or if the period of the revision and future periods are affected the revision affects both current and future periods. Judgments made by the management in applying IFRS having a significant impact on the separate financial statements and the estimates that involve a significant risk of a material adjustment in the next year are presented in the *Notes to the condensed interim financial statements*.

(f) Changes in the accounting policies

The accounting policies adopted are consistent with those used in the previous year.

3. Significant accounting policies - extract

The accounting policies used in these condensed interim financial statements are the consistent with those of the separate financial statements prepared as of December 31, 2022.

Assets and financial liabilities

Financial assets, as per IFRS 9, include the following:

- investments in equity instruments (e.g. shares)
- investments in debt instruments (e.g. securities, bonds, loans)
- trade receivables and other receivables;
- cash and cash equivalents;
- interests in subsidiaries, associates, and joint ventures
- financial liabilities.

(i) Classification

Financial assets held are presented by the Company as per IFRS 9 "Financial Instruments" as financial assets and financial liabilities.

The Company presents the ***financial assets*** at amortized cost, at fair value through other comprehensive income, or at fair value through profit and loss on the basis of:

(a) the entity's business model for the management of financial assets, and

(b) the characteristics of the contractual cash flows of the financial asset.

Business model

- Represents the way an entity manages its financial assets to generate cash flows: *collecting, sale of assets*, or *both*;
- Determining it is factually realized considering: *the manner of assessment and reporting of its performance*, the existing *risks* and their *management*, respectively the way of *compensating the management* (based on the fair value or the cash flows associated with these investments);

Business model for the shares held for which the option FVTOCI was selected at the date of transition or the date of initial recognition.

- Effective management of a diversified portfolio of quality assets, able to ensure a constant flow of income, preservation, and medium-long term growth of capital, to increase value for shareholders and obtain the highest returns on invested capital.

The differentiated approach adopted by the Company for each of its holdings aims at the fruition of an aggregate yield, generated from dividend income and capital gain.

Model of assets held for collecting

- Managed to generate cash flows by collecting the principal and interest over the lifetime of the instrument;
- It is not necessary to hold them until maturity;
- There are categories of sales transactions that are compatible with this model: those due to credit risk increase, limited or insignificant value sales, or sales close to the maturity of the instruments;
- Interest income, gains or losses from depreciation or foreign exchange differences are recognized in profit and loss;
- The accounting of these assets (assuming that the SPPI criterion is also met and the fair value through profit and loss option has not been selected) is carried at amortized cost (using the effective interest method).

Model of assets held for collecting and sale

- Managed both to generate cash flows from collecting and by selling (all) the assets;
- Sales are of high frequency and value compared to the previous model, without specifying a certain threshold for fitting into this model;
- The purpose of these sales may be: managing current liquidity needs, maintaining a certain structure of returns or decisions to optimize the entity's balance sheet (relating the duration of financial assets with that of financial liabilities).
- The accounting of these assets (assuming that the SPPI criterion is also met and the fair value through profit and loss option has not been selected) is made at fair value through other comprehensive income (using the effective interest rate method, interest, gains or losses from impairment) and foreign exchange differences - in profit and loss / change in the fair value of these instruments - in other comprehensive income, amounts recognized in other comprehensive income are recycled through profit and loss on the derecognition of the asset).

Other business model

- Assets under management for the purpose of achieving cash flow from sales;
- Collecting cash flows associated with these investments is incidental, not the purpose of holding them;
- Assets whose performance is managed and reported on the basis of their fair value;
- Their accounting is at fair value through profit and loss account.

SPPI test

It comprises criteria measuring to what extent the structure of the cash flows of a debt instrument classifies within the model of the base credit agreement (the interest reflects the value of money in time, credit risk associated with the principal, coverage of other risks and costs associated with lending and a profit margin).

There are some ratios indicating the case in which the debt instruments held should be measured at fair value through profit and loss:

- certain non-standard interest rate;
- presence of the leverage effect;
- certain hybrid instruments (including an incorporated derivative).

There are also ratios that, although they would require a registration at fair value, could comply, under certain circumstances, with the SPPI criterion and so the respective assets should be further accounted for at amortized cost:

- the existence of an anticipated reimbursement option or extension of the asset term;
- assets without recourse that should guarantee the debt reimbursement
- contractually bound instruments.

Financial assets measured at fair value through profit and loss (FVTPL)

A financial asset must be measured at fair value through profit and loss, except if it is measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through other comprehensive income (FVTOCI)

A financial asset, such as debt instruments, must be measured at fair value through other comprehensive income if both conditions presented below are met:

a) the financial asset is held within a business model whose goal is achieved by collecting the contractual cash flows and the sale of financial assets and
b) the contractual terms of the financial asset give rise, on certain dates, to cash flows that are exclusively payments of the principal and of the interest corresponding to the principal owed.

The company can make an irrevocable choice upon the initial recognition in case of certain investments in *equity instruments* that otherwise would have been measured at fair value through profit or loss to present the subsequent changes of fair value in other comprehensive income (according to pt. 5.7.5 and 5.7.6 of IFRS 9 – Financial Instruments).

Financial instruments measured at amortized cost
A financial asset must be measured at amortized cost if both conditions below are met:
(a) the financial asset is held within a business model whose goal is to hold financial assets to collect the contractual cash flows and
(b) the contractual terms of the financial asset give rise, on certain dates, to cash flows that are exclusively payments of the principal and of the interest corresponding to the owed principal.

Financial liabilities
Financial liabilities are measured at fair value through profit and loss (FVTPL) if they:
- meet the requirements of the definition of being "held for trading";
- are designated within the FVTPL category at the initial recognition (if the specific requirements are met).

The other financial debts are measured at amortized cost.

(ii) Recognition
The assets and liabilities are recognized on the date when the Company becomes a contractual party to the conditions of the respective instrument. When the Company recognizes a financial asset for the first time, it must classify it according to pt. 4.1.1 - 4.1.5 (at amortized cost, at fair value through profit or loss or at fair value through other comprehensive income) of IFRS 9 and to assess it according to pt. 5.1.1-5.1.3. (a financial asset or financial liability is measured at fair value adding or subtracting the transaction costs, directly attributable to the acquisition or issue of the asset or liability).

(iii) Measurement
After the initial recognition, the entity must measure (evaluate) the financial assets according to pt. 4.1.1 – 4.1.5 of IFRS 9 at:
a) Amortized cost;
b) Fair value through other comprehensive income; or
c) Fair value through profit and loss.

After the initial recognition, the entity must measure the financial liabilities according to pt. 4.2.1-4.2.2 of IFRS 9. Thus, the Company will classify all financial liabilities at amortized cost, except for:
a) the financial liabilities measured at fair value through profit and loss;
b) the financial liabilities that appear when the transfer of a financial asset does not qualify for derecognition;
c) financial collateral contracts valued at the highest value of the loss provision (Section 5.5 of IFRS 9) and the amount initially recognized less accumulated income (recognized under IFRS 15);
d) commitments to provide a loan at an interest rate below the market value measured at the highest value of the loss provision (Section 5.5 of IFRS 9) and the amount initially recognized less accumulated income (recognized under IFRS 15)
e) contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

Measurement at amortized cost
The amortized cost of a financial asset or of a financial liability is the value at which the financial asset or the financial liability is measured after the initial derecognition minus the reimbursement of principal, plus or minus the accumulated amortization using the effective interest method for each difference between the initial value and the value at due date, and minus any reduction for estimated credit losses.

The effective interest rate represents the rate that precisely updates the future proceeds in cash during the forecasted life of the financial instrument up to the level of the gross carrying amount of the financial asset or of the financial liability. For the calculation of the effective interest rate, the entity must estimate the cash flows considering all contractual conditions of the financial instrument but must not consider the future losses from the changes in credit risk. The calculation includes all commissions paid or cashed by the contracting parties that make integral part of the effective interest rate, transaction costs and all the other premiums and discounts.

Measurement at fair value

Fair value represents the price that would be received upon the sale of an asset or paid to settle a debt within a transaction occurred under normal conditions between the participants in the main market, on the measurement date, or in the absence of the main market, on the most advantageous market to which the Company has access at that date.

The company measures the fair value of a financial instrument using the prices quoted on an active market for that instrument. A financial instrument has an active market if for that instrument quoted prices are readily available and regularly. The company measures the instruments quoted on the active markets using the closing price.

A financial instrument is considered as being quoted on an active market when the quoted prices are readily and regularly available from an exchange, dealer, broker, association within the industry, a service for establishing the prices or a regulatory agency, and these prices reflect the transactions occurring actually and regularly, performed under objective market conditions.

Within the category of shares quoted on an active market, all those shares admitted to trading on the Stock Exchange or on the alternative market having frequent transactions are included. The market price used to determine the fair value is the closing price of the market on the last trading day before the measurement date.

The fund units are measured according to the Unitary Net Asset Value, calculated by the fund administrator using the closing quotations for the quoted financial instruments.

Government securities (bonds) are measured based on the market quotation available on Bloomberg for the respective item, multiplied by the unit nominal value.

In the absence of a price quotation on an active market, the Company uses valuation techniques. The fair value of the financial assets not traded on an active market is determined by authorized valuators.

The valuation techniques include techniques based on the use of observable inputs, such as the quoted price of the identical element held by another party as asset, on a market that is not active, and for the assets for which the observable prices are not available, measurements techniques based on the analysis of the updated cash flows, and other measurement methods used regularly by the market participants. These include the method of comparisons with similar instruments for which there is an observable market price or the percentage method of the net assets of these companies adjusted with a discount for minority ownership and a discount for lack of liquidity, using at maximum the market information, being based at minimum on the specific company information. The Company uses evaluation techniques that maximize the use of observable data and minimize the use of non-observable data.

The valuation techniques are used consistently.

(iv) Identification and measurement of value impairment

The Company must recognize an adjustment for the forecasted losses from credit corresponding to a financial asset that is measured according to pt. 4.1.2 or 4.1.2A of IFRS 9 (debt instruments measured at amortized cost or at the fair value through other comprehensive income), a receivable resulting from a leasing agreement, a credit commitment, and a financial guarantee agreement.

The Company applies the impairment provisions for the recognition of the provision for losses corresponding to the assets measured at fair value through other comprehensive income (debt instruments that meet the criteria of pt. 4.1.2A of IFRS 9 – assets held to collect the cash flows and to sale, whose cash flows represent exclusively principal reimbursement or interest payments). The provision so determined is recognized considering other comprehensive income and does not reduce the carrying amount (book value) of the financial asset from the statement of the financial position.

On each reporting date, the Company measures the provision for losses related to a financial instrument as to reflect:

- The credit losses forecasted for a 12-month period, if the credit risk has not increased significantly as of the initial recognition;
- The credit losses forecasted during the entire life if the credit risk has increased significantly as of the initial recognition.

The Company recognizes in profit and loss, as gain or loss from impairment, the value of the forecasted, recognized, or reversed losses, required to adjust the provision for losses on the reporting date up to the level required by the provisions of IFRS 9.

The Company measures the expected credit losses of a financial instrument so that it represents:

- An impartial value, resulted from the weighting of more possible results depending on the probabilities related thereto;
- The time value of money;
- Reasonable information available at no cost or disproportionate effort at reporting date.

The Company may assume that the risk credit for a financial instrument has not increased significantly as of the initial recognition if the financial instrument is considered to have a low edit risk on the reporting date. A financial instrument is considered to have a low credit risk if:

- The debtor has a high capacity to meet the obligations associated with short-term contractual cash flow;
- Unfavourable changes in the business and the business environment may, but not necessarily, reduce the debtor's ability to meet its obligations.

In the assessment of low credit risk for issuers, no real collateral is considered. At the same time, financial instruments are not considered to be of low risk only because they have a lower risk than the other instruments issued by the debtor or in comparison with the credit risk prevailing in the geographical region or the jurisdiction in which it operates.

In the credit risk assessment, the company uses both external credit risk ratings and internal evaluations that are consistent with generally accepted definitions of credit risk.

(v) Derecognition

The Company derecognizes a financial asset when the rights to receive cash flows from that financial asset expires, or when the Company transferred the rights to receive the contractual cash flows corresponding to that financial asset in a transaction in which it significantly transferred all risks and benefits of the ownership right.

Any interest in the transferred financial assets retained by the Company or created for the Company is recognized separately as an asset or liability.

The Company derecognizes a financial liability when the contractual obligations ended or when the contractual obligations are cancelled or expire.

Derecognition of financial assets and liabilities is accounted for using the weighted average cost method. This method entails calculating the value of each item based on a weighted average of the value of similar items in stock at the beginning of the period and the value of similar items purchased during the period.

(vi) Reclassifications

If the Company reclassifies the financial assets according to pt. 4.4.1 of IFRS 9 (as an effect of changing the business model for the management of its financial assets), then all the affected financial assets will be reclassified. The financial liabilities (debts) cannot be reclassified after the initial recognition.

The Company applies the reclassification of financial assets prospectively as of the reclassification date. The possible earnings, losses, or interests previously recognized will not be restated.

If a reclassification occurs, the Company proceeds as follows:

- When reclassifying an asset from the amortized cost category to fair value through profit or loss, the fair value is determined at the date of reclassification. The difference between the amortized cost and the fair value is recognized in profit and loss;
- When reclassifying an asset from the fair value through profit and loss category to the amortized cost, the fair value at the date of reclassification becomes the new gross carrying amount;
- When reclassifying an asset from the amortized cost category to fair value through other comprehensive income, fair value is determined at the date of reclassification. The difference between the amortized cost and the fair value is recognized in other comprehensive income, without adjusting the effective interest rate or the expected loss from lending;
- When reclassifying an asset from the category of fair value through other comprehensive income to the amortized cost, the reclassification is carried at the fair value of the asset from the reclassification date. Amounts previously recognized in other comprehensive income are eliminated in relation to the fair value of the asset, without affecting the profit and loss account. The actual interest rate and the expected loss on credit are not adjusted as a reclassification effect;
- When reclassifying an asset from the fair value through profit and loss category to fair value through other comprehensive income, the asset continues to be measured at its fair value;
- When reclassifying an asset from fair value through other comprehensive income category to fair value through profit and loss, the financial asset continues to be measured at fair value. Amounts previously recognized in other comprehensive income are reclassified from equity to profit and loss as a reclassification adjustment (as per IAS1).

(vii) Gains and losses
Gains or losses resulting from a change in the fair value of a financial asset or of a financial liability that is not part of a hedging relationship are recognized as follows:

a) The gains or losses generated by financial assets or financial liabilities classified as being measured at fair value through profit and loss are recognized in profit and loss;
b) The gains or losses generated by a financial asset at fair value through other comprehensive income are recognized in other comprehensive income.

Gains on shares measured at fair value through other comprehensive income are recognized as follows:
- Changes in fair value (including exchange rate) in other comprehensive income
- Dividend income is recognized in profit and loss

Gains on debt instruments (bonds):
- Changes in fair value (including exchange rate) in other comprehensive income
- Interest income is recognized in profit and loss

When the asset is derecognized, the accumulated losses or gains previously recognized in other comprehensive income:
- are reclassified from equity in profit and loss, in the case of debt instruments;
- are transferred to retained earnings, in case of equity instruments (shares).

When the financial assets accounted for at amortized cost are impaired or derecognized, as well as through their amortization process, the Company recognizes a gain or a loss in the profit and loss account (income statement).

As regards the recognized financial assets using the settlement date accounting, no change of the fair value of the asset to be received during the period between the trading date and the settlement date is recognized for the assets carried at cost or at amortized cost (except for impairment losses). But for the assets accounted for at fair value, the change in fair value must be recognized in profit and loss or in equity, as the case may be.

Other financial assets and liabilities
Other financial assets and liabilities are measured at amortized cost using the effective interest method.

4. Management of significant risks

The risk management activity can be found in the Company organizational structure, and it addresses both general and specific risks.

The most significant financial risks to which the Company is exposed to are the credit risk, the liquidity risk, and the market risk. The market risk includes the foreign currency risk, the interest rate risk, and the price risk of the equity instruments. This note provides information on the Company's exposure to each of the above-mentioned risks, the Company's objectives and policies, and the risk assessment and risk management processes.

The company uses various policies and procedures for managing and measuring the types of risk to which it is exposed. These policies and procedures are presented in the subchapter dedicated to each type of risk.

4.1 Financial risks

(a) Market risk

Market risk is the present or future risk of recording losses balance and off-balance sheet related due to adverse movements in market price (such as stock prices, interest rates, foreign exchange rates). Company’s management sets the limits on the value of risk that may be accepted, which are regularly monitored. However, the use of this approach does not prevent losses outside these limits in the event of more significant market movements.

Position risk is associated with financial instruments portfolio held by the Company with intention to benefit from positive price movements of those financial assets or potential dividends/coupons issued by entities. The Company is exposed to general position risk as well as to the specific one, due to short term investments made in bonds, shares, and fund units.

The management has pursued and permanently aims to reduce to a minimum the possible adverse effects related to this financial risk, through an active procedure of diversifying prudently the investment portfolio and by using one or more technics of diminishing of the risk through trading activity or market prices evolution related to financial instruments held by the Company.

Concentration risk

Concentration risk concerns all assets held by the Company, regardless of the period of holding them, and mitigating this risk is intended the avoidance of a too large exposure on the same debtor/entity at Company level.

The management's policy of diversifying exposures is applied to the portfolio structure, business structure, as well as the structure of financial risks exposure. Thus, this diversifying policy implies avoiding excessive exposures on a single debtor, issuer, country, or geographical area; diversifying business structure pursues the avoidance at Company's level the excessive exposure against a specific type of business/sector; diversifying the structure of financial risks intends to avoid excessive exposure against a certain financial risk.

The market risk of equity instruments is mainly the result of shares measured at fair value through other comprehensive income and through profit and loss. Entities in which the Company holds shares operate in various industries.

The objective of market risk management is to control and manage market risk exposures in acceptable parameters to the extent that profitability is optimized.

The Company's strategy for managing market risk is driven by its investment objective, and the market risk is managed in accordance with its policies and procedures.

The Company is exposed to the following categories of market risk:

(i) Equity (own capital) price risk

Price risk is the risk of losses in both balance sheet and off-balance sheet positions due to changes in asset prices.

The Company is exposed to the risk of fair value of financial instruments fluctuation due to changes in market prices, whether caused by factors specific to the activity of its issuer or factors impacting all instruments traded in the market.

The Board of Directors monitors the market risk management, and the internal procedures require that when price risks are not consistent with the Company's investment policy and principles, the portfolio must be rebalanced.

A positive change of 10% in the price of financial assets at fair value through profit and loss (shares of subsidiaries, associates, fund units and corporate bonds) would lead to an increase in profit after tax by RON 156,911,850 (December 31, 2022: RON 154,210,928), a negative change of 10% having an equal net impact in the opposite direction.

A positive change of 10% in the prices of financial assets measured at fair value through other comprehensive income, investments in shares and corporate bonds, would lead to an increase in equity, net of tax, of RON 145,693,533 (December 31, 2022: RON 139,304,936), a negative change of 10% having an equal net impact in the opposite direction.

The company holds stakes in companies operating in various sectors. As of June 30, 2023, the Company mainly holds shares in companies in the banking-financial and insurance field, having a weight of 45.7% on the total portfolio, slightly decreasing from the weight of 46.7% as of December 31, 2022.

in RON	**June 30, 2023**	**%**	**December 31, 2022**	**%**
Financial intermediation and insurance	1,315,559,976	45.7%	1,320,286,502	46.7%
Manufacturing industry	758,959,943	26.3%	706,121,167	24.9%
Hotels and restaurants	166,673,194	5.8%	133,536,179	4.7%
Wholesale and retail trade, repair of motor vehicles	182,970	0.0%	39,160,957	1.4%
Extractive industry	177,540,603	6.2%	149,134,107	5.3%
Other activities	-	0.0%	701,349	0.0%
Financial services applicable to real estate	409,133,680	14.2%	425,284,860	15.0%
Constructions	3,528,290	0.1%	3,277,721	0.1%
Transportation and storage	40,967,472	1.4%	38,232,508	1.4%
Rental of real-estate	8,782,038	0.3%	14,281,270	0.5%
Agriculture, forestry, and fishing	3,851	0.0%	151,925	0.0%
TOTAL	**2,881,332,017**	**100%**	**2,830,168,544**	**100%**

The total value growth of the portfolio under management compared to the end of the previous year is due to the progress of capital markets during first six months of 2023 with favourable influence on the market prices of the listed financial assets, in the Company's portfolio.

As of June 30, 2023, and December 31, 2022, the Company holds fund units amounting to RON 381,340,222 (December 31, 2022: RON 362,939,797) in the closed end investment funds Active Plus, Optim Invest, Certinvest Shares, Star Value, and Romania Strategy Fund. The Company is exposed to price risk in terms of placements made with different risk degrees by these Investment Funds.

(ii) Interest rate risk

Interest rate risk is the risk that revenues or expenses, or the value of assets or liabilities of the Company fluctuate due to changes in market interest rates.

As regards the interest-bearing financial instruments: the interest rate risk consists of the risk of fluctuation recorded in the value of a financial instrument due to changes in interest rates and risk differences between the maturity of interest-bearing financial assets and interest-bearing liabilities. However, the interest rate risk may also affect the value of assets bearing fixed interest rates (e.g. bonds) so that an increase in interest rate on the market will determine a decrease in the value of future cash flows generated by them and may lead to their price reduction if it increases the preference of investors to place their funds in bank deposits or other instruments whose interest has grown, and vice versa - a reduction in interest rate on the market may increase the price of shares and bonds and will lead to an increase in the fair value of future cash flows.

With respect to the fixed interest-bearing assets or tradable assets, the Company is exposed to the risk that fair value of future cash flows related to financial instruments will fluctuate following the changes in market interest rates. However, most financial assets of the Company are in stable currencies whose interest rates are unlikely to vary significantly.

Thus, the Company will be subject to limited exposure to the fair value interest rate risk or to future cash flows due to fluctuations in the prevailing levels of market interest rates.

The Company does not use derivative financial instruments for protection against interest rate fluctuations.

The following table shows the annual interest rates earned by the Company for interest-bearing assets during 1H 2023:

	RON interval		EUR interval	
Financial assets	**Min**	**Max**	**Min**	**Max**
Bank deposits	4.86	6.75	-	-
Financial assets at fair value through profit and loss*	8.75	10.2	5.63	6.54

** In the financial assets at fair value through profit and loss are included bonds denominated in RON issued by a subsidiary and a loan denominated in euro granted to a subsidiary*

The following table shows the annual interest rates earned by the Company for interest-bearing assets during the first six months of 2022:

	RON interval		EUR interval	
Financial assets	**Min**	**Max**	**Min**	**Max**
Bank deposits	0.80	5.60	0.06	0.12
Financial assets at fair value through profit and loss*	4.30	6.73	-	-
Financial assets at fair value through other comprehensive income**	-	-	5.75	5.75

** In the financial assets at fair value through profit and loss are included bonds, denominated in RON issued by a subsidiary of Lion Capital*

*** Corporate bonds are included in the financial assets at fair value through other items of comprehensive income*

The following table presents a summary of Company's exposure to the interest rate risk. The table includes the Company's assets and liabilities at the carrying amounts (book value) classified by the most recent date of the change in the interest rate and the maturity date.

in RON	**June 30, 2023**	**December 31, 2022**
Cash and cash equivalent*	136,931,007	6,625,573
Financial assets at FVTPL – corporate bonds	37,612,296	37,612,296
Financial assets at FVTOCI – loan granted	73,286,024	115,805,211
TOTAL	**247,829,328**	**160,043,080**

** Within the cash equivalents short-term investments in bank deposits (maturity less than 3 months) are included*

The impact on the Company's net profit (through interest income) of a change of ±1.00% in the interest rate on variable interest rate assets and liabilities denominated in other currencies in conjunction with a change of ±1.00% in the interest rate related to the assets and liabilities bearing variable interest and expressed in RON is of RON 2,081,766 (December 31, 2022: RON +/-1,344,362).

For bonds recorded at fair value (level 1) held, a variation of +/- 5% of their market price determines a net impact in the amount of RON +/- 1,579,716 (December 31, 2022: RON +/- 1,579,716) in the profit and loss account.

(iii) Currency risk

Currency risk is the risk of loss or failure to achieve the estimated profit because of unfavourable exchange rate fluctuations. The Company invests in financial instruments and performs transactions which are denominated in currencies other than the functional currency, thus being exposed to risks that the exchange rate of the national currency in relation to another currency might adversely affect the fair value or future cash flows of that share of financial assets and liabilities denominated in other currencies.

In the reporting periods the company conducted transactions in Romanian currency (RON) and in foreign currencies. The Company has not carried out any exchange rate derivative transaction during the financial years presented.

The Company's assets and liabilities in RON and foreign currencies on June 30, 2023, and December 31, 2022 can be analysed as follows:

Financial assets exposed to foreign currency risk (in RON)

in RON	**June 30, 2023**	**December 31, 2022**
Cash and cash equivalent	68,336,433	19,781,888
Financial assets at FVTPL – (including assets held by investment funds) *	76,437,739	126,798,355
Financial assets at FVTOCI**	115,688,490	147,927,260
Total assets	**260,462,662**	**294,507,503**
Liabilities on leasing contract	(397,224)	(530,880)
Total liabilities	**(397,224)**	**(530,880)**
Net financial assets	**260,065,437**	**293,976,623**

** Financial assets at fair value through profit or loss include euro bonds and foreign exchange holdings of closed-end investment funds, proportional to the Company's holding in their net assets.*
*** Financial assets at fair value through other comprehensive income in EUR result include holdings held abroad, namely Austria - Erste Bank.*

The following table presents the sensitivity of profit and loss as well as equity to possible changes at the end of the reporting period of the exchange rates in line with the reporting currency, consistently maintaining all other variables:

	June 30, 2023		**December 31, 2022**	
	Impact on P&L	**Impact on OCI**	**Impact on P&L**	**Impact on OCI**
5% EUR increase (2022: 5%)	6,063,832	4,858,917	6,134,073	6,212,945
5% EUR decrease (2022: 5%)	(6,063,832)	(4,858,917)	(6,134,073)	(6,212,945)
Total	-	-	-	-

(b) Credit risk

Credit risk is the risk that a counterparty of a financial instrument fails to meet their contractual obligations, or a financial engagement in which it has entered into a relationship with the Company, thus resulting in a loss for the Company. The Company is exposed to credit risk as a result of investments in bonds issued by trading companies (corporate bonds), current accounts and bank deposits and other receivables. The management of the Company closely and constantly monitors the exposure to credit risk so that it does not suffer losses as a result of the concentration of credit in a certain sector or field of activity.

As of June 30, 2023, and December 31, 2022, the Company did not have any real collaterals as insurance, nor any other improvements in the credit rating.

As of June 30, 2023, and December 31, 2022, the Company did not record any outstanding financial assets, for which it had not recorded any impairment adjustments.

Below are presented the financial assets with exposure to credit risk:

June 30, 2023	**Current accounts**	**Bank deposits**	**Loan granted**	**Bonds** (measured at FVTPL)	**Other financial assets**	**Total**
Current and not impaired						
BBB+	68,280,692	11,931,007	-	-	-	80,211,699
BBB	20,746	-	-	-	-	20,746
BBB-	1,861	-				1,861
BB+	645,792	125,000,000	-	-	-	125,645,792
BB	3,133					3,133
NR	-	-	76,199,074	38,204,566	4,985,813	119,389,453
TOTAL	**68,952,224**	**136,931,007**	**76,199,074**	**38,204,566**	**4,985,813**	**325,272,683**

December 31, 2022	Current accounts	Bank deposits	**Bonds** (measured at FVOCI)	**Bonds** (measured at FVTPL)	Other financial assets	Total
Rating AAA to A-						
BBB+	19,739,379	1,045,573				20,784,953
BBB	21,282	-				21,282
BBB-	2,123	-				2,123
BB+	208,844	5,580,000				5,788,844
BB	3,491					3,491
Baa2						-
NR			116,912,505	38,313,018	12,834,480	168,060,003
TOTAL	**19,975,119**	**6,625,573**	**116,912,505**	**38,313,018**	**12,834,480**	**194,660,696**

The Company's maximum exposure to credit risk is of RON 325,272,683 as of June 30, 2023 (December 31, 2022: RON 194,660,696) and can be analysed as follows:

	Credit rating			June 30, 2023	December 31, 2022
BRD - Groupe Société Générale	BBB+	BRD - Groupe Société Générale	Fitch	14,396,097	14,394,427
Banca Transilvania	BB+	Banca Transilvania	Fitch	125,645,792	5,788,844
Banca Comercială Română	BBB+	Banca Comercială Română	Fitch	65,815,602	6,390,525
CEC Bank	BB	CEC Bank	Fitch	3,133	3,491
Exim Bank	BBB-	Exim Bank Romania	Fitch	1,861	2,123
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italia	Fitch	20,259	20,847
UniCredit Tiriac	BBB	UniCredit Tiriac	Fitch	487	435
TOTAL (Note 11)				**205,883,231**	**26,600,693**

* For banks for which there is no rating, the parent company's rating was considered

The cash and cash equivalent and bank deposits are not past due and are not impaired. The corporate bonds are not past due and are not impaired.

The Company's exposure to credit and counterparty risk through corporate bonds held as of June 30, 2023, is presented in the following table:

Issuer		Quantity	Nominal value	Interest rate	Value as of June 30, 2023 (RON)	Maturity
Vrancart SA*	RON	368,748	100.00	8.75%	37,612,296	2024
Total					**37,612,296**	

* variable interest rate (related to the most recent coupon)

The Company's exposure to credit and counterparty risk through corporate bonds held as of December 31, 2022, is presented in the following table:

Issuer		Quantity	Nominal value	Interest rate	Value as of December 31, 2022 (RON)	Maturity
Vrancart SA*	RON	368,748	100.00	10.20%	37,612,296	2024
Total					**37,612,296**	

* variable interest rate (related to the most recent coupon)

(c) Liquidity risk

Liquidity risk is the risk that the Company faces difficulties in meeting obligations arising from short-term financial liabilities that are settled by payment in cash or other financial means, or the risk that such obligations are settled in an unfavourable manner for the Company.

The company monitors the progress of its liquidity levels to be able to meet its payment obligations at due date, and constantly analyses its assets and liabilities, based on the remaining period to the contractual maturities.

In the current economic context, the Company's management has adopted a prudent policy of monetary investments management, maintaining a weight of available liquidity in total assets allowing at any time the coverage of any outstanding payment obligations and a liquidity reserve to provide the financing of any attractive investment opportunities.

The breakdown of assets and liabilities was analysed based on the remaining period from the balance sheet date to contractual maturity date, both as of June 30, 2023, and December 31, 2022, as follows:

in RON	Book value	Less than 3 months	3 to 12 months	Over 1 year	No fixed maturity
June 30, 2023					
Financial assets					
Cash and cash equivalents	**205,957,465**	205,957,465	-	-	-
Bank deposits	**-**			-	-
Financial assets at FVTPL	**1,712,942,247**	592,270	113,811,370	-	1,598,538,607
Financial assets at FVTOCI	**1,664,133,630**	-	-	-	1,664,133,630
Other financial assets	**5,703,290**	5,703,290	-	-	-
Total financial assets	**3,588,736,632**	**212,253,025**	**113,811,370**	**-**	**3,262,672,237**
Financial liabilities					
Dividends payable	**9,956,746**	9,956,746	-	-	-
Other financial liabilities	**3,937,520**	3,937,520	-	-	-
Liabilities on leasing contract	**397,224**	69,119	213,623	114,481	-
Total financial liabilities	**14,291,490**	**13,963,385**	**213,623**	**114,481**	**-**
Liquidity surplus	**3,574,445,142**	**198,289,640**	**113,597,746**	**(114,481)**	**3,262,672,237**

in RON	Book value	Less than 3 months	3 to 12 months	Over 1 year	No fixed maturity
December 31, 2022					
Financial assets					
Cash and cash equivalent	**26,615,152**	26,615,152	-	-	
Bank deposits	**-**			-	
Financial assets at FVTPL	**1,723,810,844**	700,722	116,912,505	37,612,296	1,568,585,321
Financial assets at FVTOCI	**1,624,523,020**	-		-	1,624,523,020
Other financial assets	**13,551,957**	13,551,957	-	-	
Total financial assets	**3,388,500,973**	**40,867,831**	**116,912,505**	**37,612,296**	**3,193,108,341**
Financial liabilities					
Dividends payable	**10,042,310**	10,042,310	-	-	
Other financial liabilities	**15,038,374**	15,038,374	-	-	
Liabilities on leasing contract	**530,880**	67,048	206,746	257,087	
Total financial liabilities	**25,611,564**	**25,147,732**	**206,746**	**257,087**	
Liquidity surplus	**3,362,889,409**	**15,720,099**	**116,705,760**	**37,355,210**	**3,193,108,341**

4.2 Other risks

By the nature of the business object, the Company is exposed to various types associated to financial instruments and to market on which it invests.

The main types of risks the Company is exposed to are:

- taxation risk;
- economic environment risk;
- operational risk.

The risk management has in view the maximization of Company's profit in relation to the risk level it is exposed to.

The Company uses various management and measurement policies and procedures for the risk types it is exposed to. These policies and procedures are presented in the subchapter dedicated to each type of risk.

(a) Taxation risk

Starting with 1 January 2007, following Romania's accession to the European Union, the Company had to comply with the EU regulations and, therefore, prepared to implement changes brought by the European legislation. The Company has implemented these changes, but their implementation remains open to tax audit for 5 years.

Interpretation of texts and practical implementation of the procedures of the new applicable tax regulations could vary and there is a risk that in some cases the tax authorities might adopt a position different from that of the Company.

In terms of income tax there is a risk of different interpretation by the tax authorities to accounting treatments that were determined by the transition to IFRS as an accounting basis.

In addition, the Romanian Government has several agencies authorized to conduct audits (controls) of companies operating in Romania. These controls are similar to tax audits in other countries and may extend not only to tax matters but also to other legal and regulatory issues of interest to these agencies. The Company may be subject to tax audits as new tax regulations are issued.

(b) Economic environment risk

Lion Capital's management cannot predict all the effects of the international economic developments with an impact on the financial sector in Romania but has confidence in that in the first three months of 2023 has adopted the necessary measures for the Company's sustainability and development under the present state of the financial market by monitoring its cash flows and adapting its investment policies.

Risk avoidance and mitigation of their effects are ensured by the company through an investment policy complying with the prudential rules imposed by the applicable laws and regulations in force.

Lion Capital has adopted risk management policies through which risks are actively managed, by implementing specific risk identification, evaluation, measurement, and control procedures meant to provide reasonable assurance with respect to the achievement of the Company's objectives, thus seeking a consistent balance between risk and expected profit.

The risk management aims at: (i) identifying and assessing significant risks with major impact in achieving the target investment and developing activities to counter the risk identified; (ii) adapting the risk management policies to the developments in the financial capital market, monitoring performance and improving risk management procedures; (iii) reviewing investment decisions in line with the development of the capital and money market; (iv) compliance with the legislation in force.

Geopolitical tensions over the past 12 months and increased supply insecurity in the energy sector have led to significant increases in oil and natural gas prices in 2022. Aggressive measures adopted by the main central banks (Federal Reserve, European Central Bank, etc.) for tempering inflation and the uncertainties regarding the short-term and medium-term impact of these measures on the macroeconomic evolution have led to high volatility among the main capital markets. The lack of visibility regarding the attitude of central banks to these externalities, the necessary level of successive increases in interest rates and their impact on global demand represent the main challenges in managing the asset portfolio in 2023 as well.

(c) Operational risk

Operational risk is the risk of direct or indirect loss resulting from deficiencies or weaknesses in procedures, personnel, the Company's internal systems, or from external events that can have an impact on its operations. Operational risks arise from all the Company's activities.

The Company's objective is to manage the operational risk so as to limit financial loss, not damage its reputation and achieve the investment objective of generating benefits for investors.

The primary responsibility for implementation and development of control over the operational risk lies with the Board of Directors. This responsibility is supported by the development of general standards of operational risk management, which includes controls and processes at service providers and service engagements with service providers.

(d) Capital adequacy

The management's policy with respect to capital adequacy focuses on maintaining a sound capital base to support the ongoing development of the Company and attain the investment objectives.

The Company's equity includes the share capital, various types of reserves and the retained earnings. Equity amounted to RON 3,445,340,981 as of June 30, 2023 (RON 3,242,853,185 as of December 31, 2022).

5. Dividend income

As per IFRS 9, and since the Company has opted to measure shareholdings through other comprehensive income, dividends from these shareholdings are recognized as income unless they are a substantially recovery of the cost of investment.

Dividend income is recorded as gross value. The tax rate for dividends from companies was of 0, 8% and 27.5% (2022: 0, 5% and 27.5%). The breakdown of dividend income on the main counterparties is shown in the table below:

denominated in RON	June 30, 2023	June 30, 2022	Measurement
SAI Muntenia Invest	29,994,000	17,996,400	FVTOCI
SNP Petrom	13,315,545	6,679,024	FVTOCI
Erste Bank	7,503,480	7,916,320	FVTOCI
Conpet	3,868,165	4,098,765	FVTOCI
SIFI CJ Logistic	915,365	53,396	FVTPL
Azuga Turism	763,276	989,347	FVTPL
Bursa de Valori București	530,461	393,883	FVTOCI
Others	3,672	273,966	FVTOCI
BRD	-	50,396,401	FVTOCI
Banca Transilvania	-	38,214,355	FVTOCI
Total	**56,893,964**	**127,011,857**	
FVTOCI	55,215,323	125,969,114	
FVTPL	1,678,641	1,042,743	

FVTPL *= financial assets at fair value through profit and loss |* ***FTVOCI*** *= financial assets at fair value through other comprehensive income*

6. Interest income

Interest income (assets at amortized cost, assets at FVTOCI)

denominated in RON	June 30, 2023	June 30, 2022
Interest income on bank deposits and current accounts	670,146	674,905
Interest income on assets measured through other comprehensive income (corporate bonds)	-	147,998
	670,146	**822,903**

Interest income (assets at FVTPL)

denominated in RON	June 30, 2023	June 30, 2022
Interest income on corporate bonds	1,682,450	1,018,970
Interest income related to the transfer of financial assets*	548,948	951,696
Interest income related to a loan agreement	3,462,231	-
	5,693,629	**1,970,666**

** The amount represents the financing component extracted from the total value of the contract for the transfer of the stake in Central S.A., according to the contractual clauses agreed by the parties*

7. Profit/(Loss) on measurement of assets through profit and loss

denominated in RON	June 30, 2023	June 30, 2022
Profit / (Loss) from measurement/transfer of fund units	18,400,425	11,660,436
Profit / (Loss) from measurement / sale of shares in subsidiaries and associates	51,875,656	(110,665,947)
Total	**70,276,080**	**(99,005,511)**

As of June 30, 2023, and June 30, 2022, the Company measured the investments held in fund units, the shares held in subsidiaries and associates (measured on level 1), and the bonds held, through the profit and loss account, resulting a total increase of RON 70.3m (June 30, 2022: decrease amounting to RON 99m).

8. Fees and commissions expenses

denominated in RON	June 30, 2023	June 30, 2022
Financial Supervisory Authority commissions	1,562,932	1,546,090
Depository (bank) fees	456,262	471,035
Commissions due for transactions	91,850	6,545
Registry fees	160,968	93,200
Other fees and commissions	32,187	29,750
Total	**2,304,198**	**2,146,620**

9. Other operating expenses

denominated in RON	June 30, 2023	June 30, 2022
Expenses on other taxes, fees, and assimilated payments	66,752	66,718
Expenses on salaries and other personnel expenses *(i)*	6,344,308	5,837,574
Depreciation expenses	143,198	148,844
Expenses on external services	1,572,652	1,276,737
Expenses on interest and depreciation of assets with the right to use under the leasing contract	137,379	145,044
Total	**8,264,290**	**7,474,916**
(i)		
Expenses on salaries	4,987,118	4,644,814
Stock Option Plan expenses	963,967	909,335
Expenditure on insurance and social protection	202,245	190,115
Other personnel expenses	190,978	93,310
Total	**6,344,308**	**5,837,574**

In other operating expenses are included personnel expenses, expenses on taxes and fees, depreciation expenses and other expenses on external services.

In the period ended on June 30, 2023, the average number of employees was of 31 (June 30, 2022: 31), and the actual number of employees recorded at the end of the reporting period was of 31 (June 30, 2022: 30).

The company makes payments to institutions of the Romanian State in the account of the pensions of its employees. All employees are members of the pension plan of the Romanian State. The company does not operate any other pension scheme or post-retirement benefits and, consequently, has no other obligations concerning pensions. Furthermore, the Company is not bound to provide additional benefits to employees after their retirement.

10. Income tax

denominated in RON	**June 30, 2023**	**June 30, 2022**
Current income tax		
Current income tax (16%)	1,873,269	1,902,147
Tax on dividend (0%, 8%, 27.5%)	3,554,114	7,174,983
Expense on / (income from) deferred tax		
Financial assets at FVTOCI	-	-
Financial assets at FVTPL	-	-
Tangible assets / Investment property	-	-
Total income tax recognized in result for the period	**5,427,383**	**9,077,130**

The effective tax rate used to calculate the deferred tax of the Company was of 16%.

Reconciliation of profit before tax with expense on income tax in the profit and loss account:

denominated in RON	**June 30, 2023**	**June 30, 2022**
Profit before tax	**123,721,722**	**21,459,052**
Tax under statutory tax rate of 16% (2022: 16%)	19,795,476	3,433,448
Income tax effect of:		
Tax on dividend (0%, 5%, 27.5%)	3,554,114	7,174,983
Non-deductible expenses and similar items	9,094,508	25,098,927
Non-taxable revenues	(24,872,454)	(26,238,385)
Revenue related items	7,872,425	-
Expenses related items	(950,834)	169,045
Recoverable tax loss	(1,614,775)	-
Deferred tax	-	-
Amounts of sponsorship within legal limits and other deductions	(706,224)	(395,816)
Tax recognized in retained earnings	(6,744,853)	173,018
Income tax	**5,427,383**	**9,077,130**

11. Cash and cash equivalents

denominated in RON	**June 30, 2023**	**June 30, 2022**
Petty cash and other valuables	2,745	3,350
Current accounts in banks	68,952,224	19,975,119
Deposits in banks with initial maturity of less than 3 months (including interest)	137,002,496	6,636,683
Cash and cash equivalents with maturity less than 3 months	**205,957,465**	**26,615,152**

Current bank accounts and bank deposits are permanently available to the Company and are not restricted.

12. Financial assets measured at fair value through profit and loss account

denominated in RON	**June 30, 2023**	**June 30, 2022**
Shares	1,217,198,385	1,205,645,523
Fund units	381,340,222	362,939,797
Loan granted	76,199,074	116,912,505
Corporate bonds (including attached interest)	38,204,566	38,313,018
Total	**1,712,942,247**	**1,723,810,844**

As the Company met the classification criteria as an “investment entity”, it measures all its subsidiaries at fair value through profit and loss, except for subsidiaries providing investment-related services, that will further be consolidated.

The movement of the financial assets measured at fair value through profit and loss account as of June 30, 2023, is presented in the next table:

denominated in RON	**Shares**	**Fund units**	**Loans granted**	**Corporate bonds**	**Total**
January 1, 2023	**1,205,645,522**	**362,939,797**	**116,912,505**	**38,313,018**	**1,723,810,844**
Acquisitions					
Sales / Restitutions	(40,322,793)		(42,826,295)		(83,149,088)
Change in interest receivable	-	-	1,790,611	(108,452)	1,682,160
Change in fair value (including foreign exchange differences)	51,875,656	18,400,425	322,252		70,598,333
June 30, 2023	**1,217,198,385**	**381,340,222**	**76,199,073**	**38,204,566**	**1,712,942,247**

The sale of shares amounting to RON 40.3m represents the completion of the transaction to sell the stake held in Central SA Cluj.

As of June 30, 2023, the equity interests held in subsidiaries and associated entities were valued at fair value, resulting in a favourable difference of RON 51.9m (compared to the value as of December 31, 2022). The fair value assessment of fund units as of June 30, 2023, generated a favourable difference of RON 18.4m (vs. December 31, 2022).

During 1H 2023, a portion of the granted loan (including related interest) to a subsidiary was repaid.

The movement of financial assets measured at fair value through profit and loss account in 2022 is presented in the following table:

denominated in RON	**Shares**	**Fund units**	**Loans granted**	**Corporate bonds**	**Total**
January 1, 2022	**1,273,327,647**	**369,180,263**	**-**	**37,907,699**	**1,680,415,609**
Acquisitions	657,463	-	115,000,000	-	115,657,463
Sales	(27,193,910)	-			(27,193,910)
Change in interest receivable	-	-	1,103,608	405,320	1,508,928
Change in fair value (including foreign exchange differences)	(41,145,678)	(6,240,466)	808,897	-	(46,577,247)
December 31, 2022	**1,205,645,522**	**362,939,797**	**116,912,505**	**38,313,018**	**1,723,810,844**

Acquisitions made during 2022 include shares in Vrancart S.A., following the participation in the share capital increase with cash contribution, and acquisitions on Bucharest Stock Exchange.

Sales of shares represent the value of the stake held in Gaz Vest SA, sold in full.

The amount of RON 115m represents the loan granted during 2022 to the company SIF Spv Two SA, to pay the award price for the acquisition by transfer of assets of the "Belvedere Cigarette Factory" in the auction organized in the insolvency procedure of Interagro S.A.

13. Financial assets measured at fair value through other comprehensive income

The movement of financial assets measured at fair value through other comprehensive income during first six months of 2023 is presented in the table below:

denominated in RON	**Shares ***
January 1, 2023	**1,624,523,020**
Acquisitions	195,886
Sales	(64,198,783)
Change in fair value	103,613,508
June 30, 2023	**1,664,133,630**

** the option to measure at fair value through other comprehensive income was exercised at initial recognition*

Acquisitions of shares amounting to RON 0.2m represent the shares of Grand Hotel Bucharest.

Sales of shares amounting to RON 64.2 mainly include the sale of Erste Bank and stakes held in Antibiotice, Argus, Comelf, Urbana, Anteco, IFB Finwest, and others. The amount transferred to retained earning related to these is of RON 35.9m.

The movement of financial assets measured at fair value through other comprehensive income in 2022 is presented in the table below:

denominated in RON	**Shares ***	**Corporate bonds****
January 1, 2022	**1,554,069,140**	**5,283,259**
Acquisitions	357,288,563	
Sales	(3,213,710)	(5,164,320)
Change of interest receivable		(9,822)
Change in fair value (including foreign exchange differences)	(283,620,973)	(109,118)
December 31, 2022	**1,624,523,020**	**-**

** the option to measure at fair value through other comprehensive income was exercised at initial recognition*
*** SPPI tested and recognized as held to collect and sale*

Purchases of shares in 2022, in the total amount of RON 357.3m, mainly include the acquisition of SIF Muntenia, OMV Petrom, CH Intercontinental SA Bucharest, SIF Oltenia and Impact SA shares.

The sales of shares, in the amount of RON 3.2m, mainly include exits from the companies Reva, Transgex and Prospecțiuni. Net result from transactions, amounting to RON 2.1m, was transferred to retained earnings.

The Company employs the following hierarchy of methods to measure fair value:

- Level 1: quoted market price on an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs: quoted market prices in active markets for similar instruments; valuation techniques where all significant inputs are directly or indirectly observable from market statistics.
- Level 3: Valuation techniques largely based on unobservable elements.

The fair value of financial assets and liabilities that are traded in active markets are based on quoted market prices or on prices quoted by intermediaries (brokers).

The fair value of the financial instruments for which there is no active market (Level 3) and those that are not traded is determined by external appraisers using techniques based on the present net value, the discounted cash flow method, the method of comparisons with similar instruments for which there is an observable market price. Valuation techniques are used consistently, there are no changes in their application.

An analysis of the financial instruments and investment property recognized at fair value according to the valuation method is presented in the following table:

June 30, 2023 *denominated in RON*	**Level 1**	**Level 3**	**Total**
Financial assets at FVTPL - shares	385,810,142	831,388,244	1,217,198,386
Financial assets at FVTPL - fund units	381,340,222	-	381,340,222
Financial assets at FVTPL – loan granted	-	76,199,074	76,199,074
Financial assets at FVTPL – bonds	38,204,566	-	38,204,566
Financial assets at FVTOCI – shares	1,526,837,120	137,296,512	1,664,133,631
Investment property	-	12,963,376	12,963,376
Land and buildings	-	3,278,322	3,278,322
TOTAL	**2,332,192,049**	**1,061,125,528**	**3,393,317,577**

December 31, 2022 *denominated in RON*	**Level 1**	**Level 3**	**Total**
Financial assets at FVTPL – shares	362,069,218	843,576,306	1,205,645,523
Financial assets at FVTPL – fund units	362,939,797	-	362,939,797
Financial assets at FVTPL – loan granted	-	116,912,505	116,912,505
Financial assets at FVTPL – bonds	38,313,018	-	38,313,018
Financial assets at FVTOCI – shares	1,468,597,487	155,925,533	1,624,523,020
Investment property		12,963,376	12,963,376
Land and buildings		3,342,887	3,342,887
TOTAL	**2,231,919,521**	**1,132,720,607**	**3,364,640,128**

No transfers between the levels of fair value were made during the first six months of 2023.

14. Other financial assets

denominated in RON	**June 30, 2023**	**December 31, 2022**
Sundry debtors	3,056,772	5,297,290
Other financial assets	2,646,518	8,254,666
Allowance for the impairment of sundry debtors	(717,477)	(717,477)
Total	**4,985,813**	**12,834,480**

15. Investment property

denominated in RON	**June 30, 2023**	**December 31, 2022**
Balance as of January 1	**12,963,376**	**12,953,334**
Inflows	-	-
Outflows	-	-
Change of fair value – gain/(loss)	-	10,042
Balance as of the end of period	**12,963,376**	**12,963,376**

16. Other financial liabilities

denominated in RON	June 30, 2023	December 31, 2022
Liabilities to employees and related contributions	823,246	2,760,306
Taxes and dues	3,009,187	414,346
Suppliers and creditors	105,086	11,863,722
Total	**3,937,520**	**15,038,374**

The decrease in the Suppliers and Creditors position compared to December 31, 2022, is due to the completion of the transaction for the sale of unquoted shares with instalment payment.

17. Deferred tax liabilities

Deferred tax assets and liabilities on June 30, 2023, and December 31, 2022, are generated by the elements detailed in the following tables:

June 30, 2023

denominated in RON	Assets	Liabilities	Net
Financial assets at FVOCI	-	895,822,017	(895,822,017)
Tangible assets and investment property	-	13,572,403	(13,572,403)
Total		**909,394,420**	**(909,394,420)**
Net temporary differences - 16% rate			**(909,394,420)**
Deferred tax liabilities			**(145,503,108)**

December 31, 2022

denominated in RON	Assets	Liabilities	Net
Financial assets at FVOCI	-	839,844,596	(839,844,596)
Tangible assets and investment property	-	13,572,403	(13,572,403)
Total	**-**	**853,416,999**	**(853,416,999)**
Net temporary differences - 16% rate	-	-	**(853,416,999)**
Deferred tax liabilities	-	-	**(136,546,721)**

Deferred tax liabilities in balance on June 30, 2023, amounting to RON 145,503,108 (2022: RON 136,546,721) include:
- deferred income tax recognized directly through the decrease in equity amounting to RON 139,750,904 (2022: 130,389,332), being generated by reserves for financial assets measured at fair value through other comprehensive income (FVTOCI)
- the deferred tax related mainly to the differences from inflation of the financial assets and the impairment adjustments, amounting to RON 5,752,204 recognized in retained earnings (2022: RON 6,157,389).

18. Capital and reserves

(a) Share capital

As of June 30, 2023, the share capital of Lion Capital amounts to RON 50,751,006, divided into 507,510,056 shares with the nominal value of RON 0.1 and it is the result of direct subscriptions to the share capital of the company, by the conversion into shares of the amounts due as dividends under Law no. 55/1995 and pursuant to Law no. 133/1996. As of June 30, 2023, the number of shareholders was of 5,739,519 (December 31, 2022: 5,741,164).

The shares issued by Lion Capital are traded on the Bucharest Stock Exchange since November 1999. The records of shares and shareholders is kept by Depozitarul Central S.A. Bucharest.

All shares are ordinary shares, were subscribed and fully paid as of June 30, 2023 and December 31, 2022. All shares have equal voting rights and a nominal value of RON 0.1/share. The number of shares authorized to be issued is equal to the shares issued.

The EGM of November 2, 2020, approved:
- the partial revocation of the Resolution of the Extraordinary General Meeting of Shareholders of April 22, 2019, published in the Official Gazette of Romania, Part IV, no. 2154 / 23.05.2019, namely of article 1 of this resolution, which approved the execution of a buyback program for a maximum of 15,000,000 shares;
- the execution of a Buyback (“Program 3”) by the Company to reduce its share capital. The maximum number of shares that could be repurchased: 15,000,000 shares at most.

The EGM of October 11, 2021, approved:
- the execution of a buyback program ("Program 4"), for their distribution free of charge to the members of the Company's management (administrators, directors), to build their loyalty as well as to reward them for the activity carried out within the Company, according to the performance criteria to be determined by the Board of Directors. The maximum number of shares that could be repurchased: 880,000 shares at most. The distribution of shares is to be made under a "Share-based Payment Plan" of Stock Option Type, complying with the legal requirements in force. The Board of Directors of the Company approved in January 2022 the "Share-based Payment Plan", which was completed in March 2023.

The EGM of November 25, 2021, approved:
- the method of allocating the 8,792,307 treasury shares repurchased by the Company under the buyback programs previously approved by the general meeting of shareholders to reduce the share capital and for free distribution to members of the Company's management, programs carried out under a Public Tender Offer approved by the Financial Supervisory Authority by Decision no. 1166 / 22.09.2021, in the following variant: allocation of a number of 7,912,307 shares to reduce the Company's share capital and allocation of a number of 880,000 shares to be distributed free of charge to the members of the Company's management.

The EGM of April 28, 2022, approved:
- the reduction of Company's share capital from RON 51,542,236.3 to RON 50,751,005.6 following the cancellation of 7,912,307 treasury shares acquired by the company, in the buyback programs.
- the execution of a share buyback program ("Program 6") for the distribution free of charge to the members of the Company's management (administrators, directors), in order to gain their loyalty, as well as to reward them for the activity carried out within the Company, according to the performance criteria to be determined by the Board of Directors. The maximum number of shares that can purchased in the buyback program is no more than 990,000 shares. The shares will be distributed within a "Share-based Payment Plan" of Stock Option Type, in compliance with the legislation in force. The Board of Directors of the Company approved in March 2023 the "Share-based Payment Plan", which is ongoing.

The EGM held on April 27, 2023, approved:
- a share buyback program ("Program 7") for the purpose of granting shares free of charge to members of the Company's management (administrators, directors) to enhance their commitment and reward their contributions to the Company, based on performance criteria to be determined by the Board of Directors. The maximum number of shares that can be repurchased is up to 990,000 shares. The shares will be granted under a "Stock Option Plan", in compliance with applicable laws and regulations.

denominated in RON	**June 30, 2023**	**December 31, 2022**
Share capital	50,751,006	50,751,006
Total	**50,751,006**	**50,751,006**

(b) Retained earnings

denominated in RON	**June 30, 2023**	**December 31, 2022**
Retained earnings from the transition to IAS and IFRS	422,323,709	422,323,709
Retained earnings from application of IFRS 9 (including gain on transactions)	342,474,379	312,836,518
Result for the period	118,294,340	95,467,147
Other amounts recognized in retained earnings (legal reserves, revaluation of tangible assets, etc.)	2,220,251	2,220,252
Total	**885,312,678**	**832,847,626**

(c) Other reserves

denominated in RON	**June 30, 2023**	**December 31, 2022**
Reserves allotted from the net profit	1,445,827,091	1,350,359,944
Reserves set-up under Law no. 133/1996*	145,486,088	145,486,088
Reserves from lapsed dividends	88,420,910	88,420,910
Reserves from exchange rate differences and investment facilities	19,832,946	19,832,946
Total	**1,699,567,035**	**1,604,099,887**

** The reserve related to the initial portfolio was set-up under Law no. 133/1996, as the difference between the value of the contributed portfolio and the value of the share capital subscribed to the Company. Thus, these reserves are assimilated to a contribution premium and are not used in the sale of non-current financial assets.*

(d) Legal reserves
Pursuant to the legal requirements, the Company set-up legal reserves in the amount of 5% of recorded profit according to applicable accounting standards up to 20% of the share capital as per the Articles of Association. The legal reserve as of June 30, 2023, amounts to RON 10,150,201 (December 31, 2022: RON 10,150,201). Legal reserves cannot be distributed to shareholders.

(e) Differences from changes in fair value of financial assets measured through other comprehensive income
This reserve comprises cumulative net changes in the fair values of financial assets measured through other comprehensive income from the date of their classification in this category to the date they have been derecognized or impaired.

Reserves are recorded net of related deferred tax. The amount of deferred tax recognized directly through impairment of equity is shown in Note 17.

The following table shows the reconciliation of net differences in the change in fair value for financial assets measured by other comprehensive income:

denominated in RON	**June 30, 2023**	**December 31, 2022**
Differences from changes in fair value of financial assets measured through other comprehensive income (shares)	800,101,765	741,827,359
Total	**800,101,765**	**741,827,359**

(f) Dividends
During the first six months of 2023, there was no approval of a dividend distribution. In 2022 the shareholders of the Company approved the distribution of a gross dividend of RON 0.06/share from the profit for 2021 FY.

19. Earnings per share

The calculation of basic earnings per share was made based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares:

denominated in RON	**June 30, 2023**	**June 30, 2022**
Profit attributable to ordinary shareholders	118,294,339	12,381,922
Weighted average number of ordinary shares*	506,794,752	507,510,056
Basic earnings per share	**0.2334**	**0.0244**

** considering repurchased shares*

Diluted earnings per share equals basic earnings per share, as the Company did not record potential ordinary shares.

20. Contingent assets and liabilities

(a) Litigations in court

As of June 30, 2023, the Company had 54 pending legal disputes in its records. The Company held an active legal status in 42 disputes, a passive legal status in 10 disputes, and intervened in 2 disputes.

In most of the disputes where the Company holds the plaintiff status, the subject of the litigation revolves around the annulment/declaration of nullity of resolutions passed by general shareholder meetings of portfolio companies or the insolvency proceedings of portfolio companies.

(b) Other liabilities
not the case

21. Related parties

The parties are considered related if one party has the ability to control the other party or to exercise a significant influence over its financial and operational decision making.

The Company has identified the following related parties in the course of business:

Key management personnel

June 30, 2023

- As of June 30, 2023, the Board of Directors of Lion Capital S.A. was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu-Răzvan Străuț - Vice-Chairman, Sorin Marica, Marcel Pfister, and Ionel Marian Ciucioi.

- As of June 30, 2023, the members of the executive team of Lion Capital S.A: Bogdan-Alexandru Drăgoi – CEO (General Director), Radu-Răzvan Străuț - Deputy General Director, Teodora Sferdian - Deputy General Director, Laurențiu Riviș – Director.

December 31, 2022

- As of December 31, 2022, the Board of Directors of the Company was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu-Răzvan Străuț - Vice-Chairman, Sorin Marica, Marcel Pfister, and Ionel Marian Ciucioi.
- As of December 31, 2022, the members of the executive team of the Company: Bogdan-Alexandru Drăgoi – CEO (General Director), Radu-Răzvan Străuț - Deputy General Director, Teodora Sferdian - Deputy General Director, and Laurențiu Riviș – Director.

During the period of the interim reporting, there were no transactions carried out and no advances and loans were granted to managers and administrators of the Company, except for work related travel advances.

The Company has not received and has not given guarantees in favour of any related party.

Subsidiaries

As of June 30, 2023, the Company held (directly and indirectly) majority stakes in 14 companies (December 31, 2022: 15). Following the classification of the Company as an investment entity, the subsidiaries providing investment services for the Company (SAI Muntenia Invest and Administrare Imobiliare) remained in the scope of consolidation, and the other subsidiaries were deconsolidated.

Associated entities

The number of entities in which the Company holds stakes between 20% and 50% of the share capital as of June 30, 2023, is of 15 (December 31, 2022: 16), of which:
a. One entity (Biofarm SA Bucharest), in which the Company exercises significant influence (December 31, 2022: 1);
b. 3 entities (December 31, 2022: 4) that do not qualify as associates, because the Company does not exercise significant influence in those companies;
c. 11 entities (December 31, 2022: 11) in insolvency / liquidation / bankruptcy.

Transactions with related parties during the interim reporting period:

During the first six months of 2023, the Company made the following transactions with affiliated parties:

	June 30, 2023	June 30, 2022
Transactions by profit and loss		
Dividend income, of which:		
Azuga Turism	763,276	989,347
SAI Muntenia Invest	29,994,000	17,996,400
SIFI CJ Logistic	915,365	53,396
Total	**31,672,641**	**19,039,143**
Interest income, of which		
Vrancart	1,682,450	1,018,970
SIF SPV TWO	3,462,231	-
Total	**5,144,681**	**1,018,970**
Other revenues		
Silvana Cehu Silvaniei - additional liquidation proceeds	72,694	565,284
Total	**72,694**	**565,284**
Other expenses, of which:		
Administrare Imobiliare - rent and operating expenses	161,493	176,837
Gaz Vest – supply of natural gas	-	(350)
Total	**161,493**	**176,487**

Transactions by statement of financial position	June 30, 2023	December 31, 2022
Other receivables, of which:		
Vrancart - bonds	37,612,296	37,612,296
Vrancart - interest receivable	592,270	700,722
SIF SPV TWO – principal loan	73,286,024	115,805,211
SIF SPV TWO – interest receivable	2,913,049	1,107,295
Total	**114,403,640**	**157,833,437**
Other liabilities, of which:		
Administrare Imobiliare	146	36
Total	**146**	**36**

22. Events after the interim period

Not the case.