LION CAPITAL

ANNUAL REPORT

OF THE BOARD OF DIRECTORS

FOR THE FINANCIAL YEAR

2023

Prepared pursuant to Law no. 24/2017, Law no. 74/2015, Law no. 243/2019, ASF Regulation no. 10/2015, ASF Regulation no. 7/2020, ASF Regulation no. 5/2018, and ASF Norm no. 39/2015

This Report of the Board of Directors is provided as a free translation from Romanian, which is the official and binding version. In case of inconsistencies between the information provided in Romanian and those provided in English, Romanian language shall prevail.

Contents

Main Financial and Operational Information

FINANCIAL POSITION [RONm]	2020	2021	2022	2023
Total Assets, of which	2,883.77	3,607.39	3,405.26	4,305.79
Total Financial Assets	2,859.53	3,579.13	3,374.95	4,286.62
Equity	2,729.90	3,416.13	3,242.85	4,100.37
Total Liabilities	153.87	191.26	162.41	205.41

FINANCIAL PERFORMANCE [RONm]	2020	2021	2022	2023
Income	94.84	135.55	174.92	166.28
Gain on Investment	27.82	288.29	(47.40)	296.85
Expenses	28.47	27.50	24.39	27.53
Gross Profit	94.18	396.34	103.12	435.58
Net Profit for the Year	92.12	387.00	95.47	417.26

FINANCIAL INDICATORS [%]	2020	2021	2022	2023
ROE (Net Profit / Equity)	3.37	11.33	2.94	10.18
ROA (Net Profit / Total Assets)	3.19	10.73	2.80	9.69
Gross Profit Margin (Gross Profit / Total Income)	30.47	73.32	27.43	77.58

STOCK AND NET ASET PERFORMANCE	2020	2021	2022	2023
Stock Price (year end, in RON)	2.2000	2.5400	2.4300	2.5900
Net Asset Value* / Share (RON)	5.6051	6.7170	6.3817	8.0847
PER**	12.3	3.4	12.9	3,15
Dividend / Share (RON)	-	0.06	-	***
Accounting Net Asset / Share (RON)	5.3055	6.7311	6.3897	6.4022
Nominal Value of Share (RON	0.1	0.1	0.1	0.1
Number of Issued Shares	515,422,363	515,422,363	507.510.056	507.510.056
Number of Outstanding Shares	514,542,363	507,510,056	507.510.056	506.520.056

** calculated acc. to ASF regulations*
*** calculated using EPS for the average number of shares in the respective year*
**** as per the decision of GMS of April 2024*

OPERATIONAL DATA	2020	2021	2022	2023
Number of Employees, year end	34	33	32	32
Number of Branch Offices	1	1	1	1

SHAREHOLDING STRUCTURE as of December 31, 2023	Number of shareholders	stake
Romanian Individuals	5,735,495	39.01%
Non-Resident Individuals	2,143	1.27%
Romanian Legal Entities	108	45.23%
Lion Capital (treasury shares)	1	0.20%
Non-Resident Legal Entities	18	14.29%
TOTAL	**5,737,765**	**100%**

General Information

COMPANY NAME	**Lion Capital S.A.** (hereinafter referred to as *"Lion Capital"*, *"The Fund"* or *"the Company"*), *the new corporate name, starting March 24, 2024, of SIF Banat-Crișana S.A.*
COMPANY TYPE	▪ joint stock company, Romanian legal entity with private capital ▪ established as a self-managed investment company, authorized by the Financial Supervisory Authority as Alternative Investment Fund Manager (AIFM) - Authorization no. 78 / 09.03.2018, and as closed-ended alternative investment fund, diversified, addressed to retail investors (AIFRI) - Authorization no. 130 / 01.07.2021
SHARE CAPITAL	▪ RON 50,751,005.60 – subscribed and paid-up capital ▪ 507,510,056 shares issued; 506,520,056 outstanding as of December 31, 2023 ▪ RON 0.10 per share nominal value
REGISTRATIONS	▪ Number in Trade Register J02/1898/1992 ▪ Tax Identification Code RO 2761040 ▪ Number in ASF AFIAA Register PJR07.1AFIAA / 020007 / 09.03.2018 ▪ Number in ASF FIAIR Register PJR09FIAIR / 020004 / 01.07.2021 ▪ Legal Entity Identifier (LEI) 254900GAQ2XT8DPA7274
MAIN ACTIVITY	Main activity is, as per the classification of economic activities in the national economy (NACE; ro: CAEN): financial intermediation, except for insurance and pension funds (NACE Code 64), and the main object of activity: Other financial intermediation n.c.a. (NACE Code 6499): ▪ portfolio management ▪ risk management; ▪ other activities carried out within the collective management of an investment fund, allowed by the legislation in force.
TRADING MARKET	The company is listed since November 1, 1999, on the regulated market of Bucharest Stock Exchange (BVB or BSE) – Premium category symbol **LION** (since May 15, 2023, previously: SIF1)
FINANCIAL AUDITOR	**Deloitte Audit S.R.L.**
DEPOSITARY BANK	**Banca Comercială Română (BCR)**
SHARES AND SHAREHOLDERS' REGISTER	**Depozitarul Central S.A. Bucharest**
REGISTERED OFFICE	**Arad**, 35A Calea Victoriei, 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL office@lion-capital.ro WEB www.lion-capital.ro
BRANCH	**Lion Capital Arad-Bucharest Branch-Rahmaninov** 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest

1. Analysis of Lion Capital Activity

Economic Environment

In 2023, the global economy closed in a better position than anticipated at the beginning of the year. Inflation level, still high in Romania, is showing downward trends in much of the world's economies, and some central banks have signalled possible rate cuts starting with 2024.

However, economic outlooks remain uncertain. High interest rates represent a serious threat for most countries' markets, the geopolitical situation remains tense, to the war in Ukraine being added an armed conflict in the Middle East.

According to the latest assessments (January 2024), the World Bank estimates a global economic growth rate for the current year of 2.4% (down from 2.6% in 2023).

European Economic Environment

After successfully navigating the challenges of the pandemic and the energy price shock triggered by the Ukraine conflict, Europe faces the daunting task of rebalancing price stability while simultaneously ensuring long-term “green” economic growth.

During 2023 the energy crisis proved to be less dramatic than anticipated, but the euro area economy overall operated at a slower pace throughout the year. High inflation and interest rates have affected private consumption as well as corporate investments. The construction sector considerably slowed down, and the manufacturing sector suffered due to lower export demand and high energy costs. On the other hand, most service sectors rebounded after the pandemic.

The decline in inflation in Western Europe was faster than initial expectations, largely driven by the drop in energy prices. With economic activity stagnating in the latter half of the past year, the easing of price pressures extended to the goods and services sector. Mainly towards the end of 2023, the decline of prices of raw materials and energy in a slowed economy, led inflation on a steeper downward trajectory than anticipated in the European Commission's autumn forecast. However, in the short term, the expiration of energy support measures in member states and higher maritime transport costs due to disruptions in Red Sea trade will exert some additional marginal pressures on prices, albeit without significantly affecting the inflation downturn process.

By the end of the forecast horizon, total inflation in the euro area is expected to position slightly above the ECB target, with inflation slightly higher at EU level.

Economic growth in 2023 was hampered by the erosion of household purchasing power, the tightening of monetary policies, partial withdrawal of fiscal support, and declining external demand. After narrowly avoiding a technical recession in the latter half of last year, prospects for the EU economy in the first quarter of 2024 remain bleak. However, economic activity is expected to gradually pick up pace this year. As inflation continues to decline, wage and real income growth alongside a robust labour market should support a consumption rebound. Despite declining profit margins, the companies will benefit from a gradual relaxation through improved lending conditions and continued implementation of the National Recovery and Resilience Plan. Additionally, foreign trade is expected to normalize after a very poor performance in the previous year. Growth momentum is expected to stabilize from the second half of 2024 through the end of 2025.

The European Commission's winter interim forecast revises economic growth estimates both in the EU and the euro area to 0.5% in 2023, down from the 0.6% projected in the autumn forecast, and to 0.9% (from 1.3%) in the EU and 0.8% (from 1.2%) in the euro zone in 2024. In 2025, continued economic activity growth is expected by 1.7% in the EU and 1.5% in the euro zone.

The European Commission estimates that in the EU, the Harmonized Index of Consumer Prices (HICP) will decrease from 6.3% in 2023 to 3.0% in 2024 and 2.5% in 2025. In the euro zone, the estimated decreases are from 5.4% in 2023 to 2.7% in 2024 and 2.2% in 2025.

It is anticipated that economic activity in Europe will remain relatively weak at the beginning of 2024 and gradually recover throughout the year as inflation falls and the easing of monetary policies begins. Additionally, EU funds should support investments. Export activity is expected to modestly rebound as global trade growth is expected to return to 2.7% in 2024 from 1.1% in 2023.

But all these expectations contain a high degree of volatility amid prolonged geopolitical tensions, and an atypical election year in which almost half of the world's population will go to the polls in 2024 (presidential elections are scheduled in the USA, Russia, India, Mexico, Venezuela, Iran, South Africa, Taiwan, Pakistan, Indonesia. But also European parliamentary elections in the states of the European Union).

Domestic Economic Environment

According to the European Commission’s economic forecasts from the winter, GDP growth decelerated to 1.8% in 2023. High inflation and weak growth in private credit limited domestic demand in 2023, while external demand was also weak. Strong growth in gross fixed capital formation, driven by EU-funded investments in public infrastructure, offset slowing private consumption and declining inventories, while the negative contribution of net exports to growth diminished. A resilient labour market and two increases in the minimum wage mitigated the reduction in real disposable income. After a weak third quarter, short-term indicators suggest that the economy regained some momentum in the last months of 2023, supported by retail sales, services, and the robust construction sector.

Based on expectations of intensifying private credit growth and continued growth in real disposable incomes, real GDP is estimated to grow by 2.9% in 2024 – slightly below autumn expectations. Although private consumption is expected to accelerate, investments will remain the main driver of GDP growth this year. Monetary policy is most likely to remain tight in 2024 and only gradually relax as inflationary pressures ease. According to forecasts, this relaxation of monetary and financial conditions, accompanied by stronger external demand, is expected to lead to a real GDP growth of 3.2% in 2025.

Harmonized Index of Consumer Prices (HICP) inflation fell to 7% in December of last year, bringing global inflation to 9.7% in 2023, down from 12% in 2022. The decline in inflation can be attributed to a significant slowdown in private credit growth amid tight monetary conditions, as well as falling energy and certain food prices. Except for a brief pause at the beginning of 2024 due to indirect tax increases, prices are expected to continue their decline. The annual average HICP inflation rate is estimated at 5.8% in 2024, followed by a slowdown to 3.6% in 2025. However, risks are tilted towards a deflationary process if wages and pensions continue to rise at an accelerated pace.

The labour market continues to be strained, primarily reflecting unfavourable demographic trends. The unemployment rate is estimated to have marginally decreased to around 5.4% in 2023 and is expected to remain at a low level over the next two years. Nominal wages are expected to continue to rise in 2024, compensating for the inflationary effects of previous years that have eroded purchasing power.

The main macroeconomic vulnerability in 2023 was the perpetuation of twin deficits. The fiscal deficit recorded over the past year was of RON 89.9bn, representing 5.68% of GDP, and public debt exceeded 50% of GDP.

The allocation of Romania's amended National Recovery and Resilience Plan (PNRR) is of EUR 28.5bn (EUR 14.9bn in loans, EUR 13.6bn in grants), structured around 6 pillars. The greatest importance is placed on the green transition, with 44.1% of funds allocated, and digital transition, with a 21.8% allocation.

The deficit is forecasted to decrease to 5.3% of GDP in 2024, due to the implementation of a fiscal consolidation package worth approximately 1.2% of GDP.

General public debt is expected to increase from 47.2% of GDP in 2022 to 50.5% in 2025, reflecting still-high deficits and slower nominal GDP growth in the coming years. Possible slower GDP growth and increasing pressures on public salaries could lead to larger government deficits.

The number of insolvencies in 2023 remained at the level of 2022. Over the past year, 6,650 new insolvency procedures were initiated, compared to 6,649 in 2022.

The national currency remains among the most stable currencies in the CEE region, with slight long-term depreciation tendencies. The average annual USD/RON exchange rate was 4.5743 in 2023 compared to 4.6885 in 2022. The EUR/RON exchange rate was 4.9465 in 2023 compared to 4.9315 in 2022, according to the National Bank of Romania (BNR).

Romania’s economic growth potential remains high, but it requires a more predictable fiscal and legislative policy framework, as well as an emphasis on developing the country’s infrastructure. However, uncertainties remain regarding the recently adopted fiscal package, which has somewhat affected business confidence. VAT increases for some products and services and higher fuel excise duties could threaten inflation targets for 2024.

Romanian Capital Market in 2023

In the geopolitical context of the previous year, characterized by ongoing wars inducing a general state of uncertainty, financial market investors displayed a less defensive behaviour compared to initial expectations. Positive economic sentiment, supported by slowing inflation growth and hopes of interest rate reductions, dominated capital markets throughout 2023 and bolstered the growths of share prices. Most major global indices closed the year with positive returns, with some marking historic highs. In certain cases, the increases continued into 2024.

Throughout the past year, the S&P 500 rose by +21%, DJIA by +11%, MSCI World by +20%, Euro Stoxx 50 by +18%, DAX by +19%, and CAC by +15%, indicating a strong upward trend on exchanges, despite economic difficulties and geopolitical risks.

The local BET index experienced a 32% advance in 2023, ending the year at 15,371 points compared to 12,013 points at the beginning of January last year. This growth was supported by several factors contributing to the development of the local capital market.

In 2023, two companies were listed on the Bucharest Stock Exchange (BVB), Millenium Insurance Broker on the AeRO segment, and SPEEH Hidroelectrica on the regulated market, the latter representing the largest IPO in Europe in 2023, valued at RON 9.3bn (EUR 1.8bn) through the listing of a 20% stake in SPEEH Hidroelectrica, owned by Fondul Proprietatea. This listing substantially increased the liquidity of the Bucharest Stock Exchange and attracted new foreign institutional investors.

The average daily liquidity on all types of instruments listed on the Main Market and the Multilateral Trading System reached RON 153mn, representing a 60% increase compared to 2022.

The total trading value recorded in 2023 on all markets exceeded RON 38bn, up 58% from the previous year.

Through the 34 listings of shares and bonds in the previous year, a record value of EUR 5.5bn was attracted, including 11 corporate bond issuances totalling EUR 1.6bn, 20 Fidelis state bond issuances worth EUR 1.9bn, and a municipal financing of EUR 112mn.

The number of investors reached an all-time high of over 168,000, an increase of 40,000 investors compared to 2022. In the last nearly four years, the number of investors has tripled, from nearly 54,000 at the end of 2019.

The BET index rose 32%, while the BET-TR index increased by 40%. (The BET-TR index had the best performance in the region in 2023.) The price of BVB (the market operator) stock increased by 86% in 2023, to RON 65.6 per share, representing a market capitalization of RON 528mn (EUR 106.2mn) and an all-time high for the quotation of this issuer.

Over 110 analysis reports were published in 2023 as part of the BVB Research Hub project, an instrument aimed at improving coverage with analysis reports for local issuers and increasing access to fundamental analysis for local investors. ESG scores for some of the companies listed on the local stock exchange are also available on bvbresearch.ro.

At the end of 2023, most of the stock valuation indicators managed to improve compared to the same period of the previous year. In the last month of 2023, the P/E ratio was of 7.6 compared to 4.79 in 2022, P/BV was at 1.31 compared to 1.02 in 2022. Dividend yield slightly improved, with the DY in December reaching 7.87% vs. 4.6% in the same month of the previous year. The market capitalization (regulated market) amounted to RON 294bn vs. RON 197bn in 2022, with the market capitalization for Romanian companies reaching RON 215bn compared to RON 134bn, but market liquidity, despite a sharp upward trend due to the listing of SPEEH Hidroelectrica, is still small.

In 2024, the Central Counterparty should become operational, which on a medium and long-term should contribute to a significant increase of market liquidity. The Central Counterparty project has entered a technical stage of implementation and authorization, and the first derivative products are expected to be available on the capital market towards the end of the year 2024.

Sources of information:
European Commission - https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/romania/economic-forecast-romania_en • National Institute of Statistics – https://insse.ro/cms • National Commission for Strategy and Prognosis-https://cnp.ro/ • Bucharest Stock Exchange – www.bvb.ro • National Bank of Romania – www.bnr.ro • Bloomberg Platform – www.bloomberg.com • tradingeconomics.com • www.reuters.com • www.marketwatch.com

Analysis of the Portfolio

The long-term investment strategy of Lion Capital aims to maximize the portfolio performance to increase the value of assets under management and investment income.

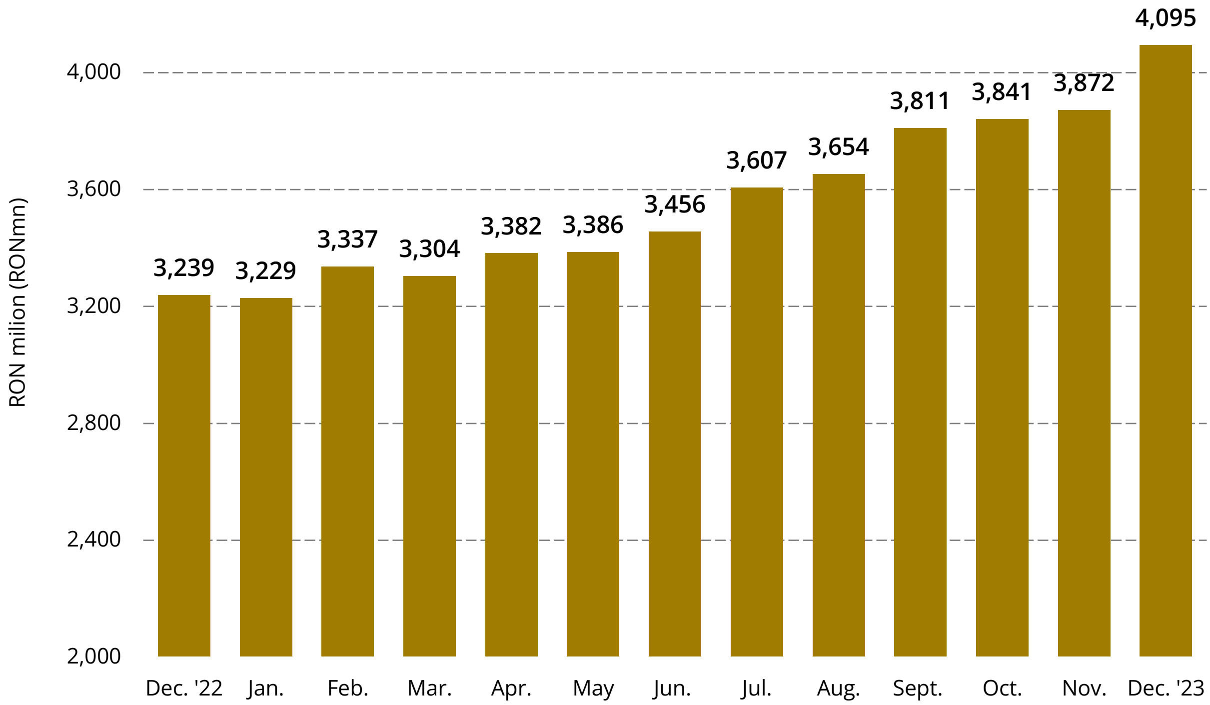
The financial objective is to realize an aggregate portfolio return generated from dividend income and capital gains.

Lion Capital's investment objective is to efficiently manage a diversified portfolio of quality assets, capable of providing a steady income stream, preserving, and growing capital over the medium to long term, with the aim of enhancing value for shareholders and achieving high returns on invested capital.

Net Asset Value (NAV) Evolution

As of December 31, 2023, Lion Capital's net asset value (VAN) amounted to **RON 4.095.059.742**[1], up **26.44%** vs. the value recorded for 2022-year end, viz. **RON 3,238,773,573**. Net asset value per share (NAV/S) was of **RON 8.0847** as of December 31, 2023 (31.12.2022: RON 6.3817 / share).

MONTHLY NET ASSET VALUES - DECEMBER 2022 - DECEMBER 2023



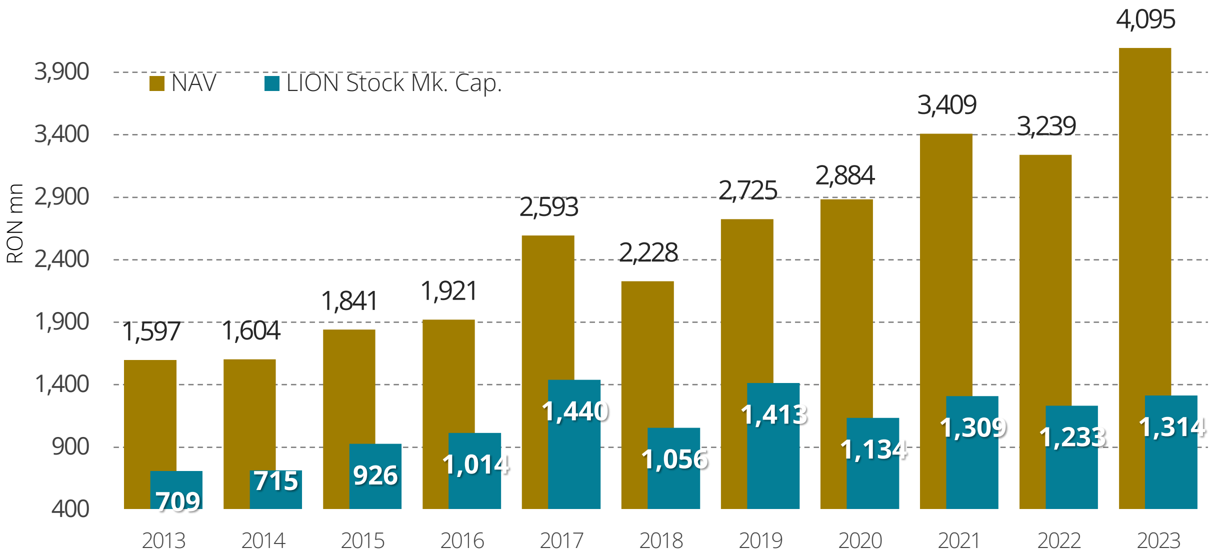
[1] Net Asset Value as of 31.12.2023 was recalculated as follows: portfolio items (shares) measured on the basis of valuation reports - recorded at values updated as of 31.12.2023; non-portfolio items - based on the final balance sheet underlying the preparation of the standalone annual financial statements subject to the approval of the OGM of April 2024. Statement of assets and liabilities of Lion Capital as of December 31, 2023, and detailed statement of investments (as per annexes 10 and 11 to Regulation No. 7/2020) - restated and certified by the depositary of assets, Banca Comercială Română - are attached to this report.

The calculation of NAV and NAV/S is performed monthly by Lion Capital, the values are certified by the depositary bank Banca Comercială Română (BCR).

NAV and NAV/S for each month were submitted to Bucharest Stock Exchange and the Financial Supervisory Authority – Financial Instruments and Investments Sector, and are permanently available to investors, as they are published on Lion Capital's website (www.lion-capital.ro) no later than 15 calendar days from the end of the reporting period.

The net asset value shows an annual increase of 26.44%, mainly driven by upsurge in the quotations of the trading markets.

NET ASSET VALUE (NAV) vs. MARKET CAPITALIZATION



NOTE: net asset values (NAV) are those reported for the end of December for each year; until 2015 non-portfolio items were calculated based on accounting records pursuant to Romanian Accounting Regulations (RAS) in force at that time; and under IFRS for 2016 – 2023; mk. cap. calculated using closing price for LION (SIF1) stock in the last trading day of each year

Methodology for Calculating the Net Asset Value

During 2023, NAV calculation was performed in accordance with the provisions of *Law no. 243/2019 on alternative investment funds and for the amendment and completion of certain normative acts* and of the *ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds* with subsequent amendments and completions. The reporting formats of *statement of assets and liabilities*, respectively *the detailed statement of investments*, related to the reporting period comply with the content established in annexes no. 10 and 11 of the ASF Regulation no. 7/2020, with subsequent amendments and completions.

According to ASF Regulation no. 7/2020, the net asset value of an AIFRI established as an investment company is determined as the difference between the total value of the assets and the sum of the accrued expenses and deferred income. Both current and non-current debts and accrued provisions are included in the calculation of the total amount of debts. In accordance with these regulations, starting with July 1, 2021, following the authorization of Lion Capital as AIFRI, the company calculated the net asset value by adding the deferred income tax (non-current debt) to the total debts.

The statement of Lion Capital's assets and liabilities as of December 31, 2023, prepared as per the provisions of annex 10 to Regulation no. 7/2020 is presented as annex to this report.

Throughout 2023, the measurement of assets for the calculation of net asset value was carried out in accordance with the regulations issued by the Financial Supervisory Authority, the provisions of ASF Regulation no. 10/2015 and of ASF Regulation no. 9/2014 (art. 113-122), with subsequent amendments and completions.

As per these regulations:

- Financial instruments admitted to trading or traded in the last 30 trading days on a regulated market or in systems other than regulated markets, including in an alternative trading system in Romania, from a Member State or a non-member, are measured:

a) At the closing price of the market segment considered as the main market or the reference price provided in trading systems other than regulated markets including alternative systems by the operator of that trading system for the day for which the calculation is made;

b) By way of exception from the provisions of letter a) above, in the case of joint stock companies admitted to trading on a regulated market or a multilateral trading system with a liquidity considered by Lion Capital, based on a judgment of prudential value in relation to the active market defined by International Financial Reporting Standard 13 - Fair value measurement (IFRS 13), as irrelevant for the application of the marking to market valuation method, the shares of those companies will be measured in the assets of Lion Capital in in accordance with the evaluation standards in force, according to the law, based on an evaluation report.

c) In 2023, Lion Capital maintained this valuation method for the following portfolio companies: SIF Imobiliare PLC (symbol SIFI), SIF Hoteluri SA (symbol CAOR), and IAMU SA (symbol IAMU). The analysis carried out by the company revealed that for the issuers SIF Imobiliare, SIF Hoteluri and IAMU, the active market criteria are not respected, as during 2023 transactions representing less than 1% of the issuer's share capital were recorded, the total number of transactions being less than 50 (during the last 12 months), their frequency being insufficient to meet the criterion of providing reliable price information on an ongoing basis.

- Securities not admitted to trading on a regulated market or not traded in the last 30 trading days are valued at the book (accounting) value per share resulting from the last annual financial statements, respectively the value of equity included in the monthly reports to BNR (National Bank of Romania) for credit institutions.

- In the case of joint stock companies not admitted to trading in a regulated market or alternative system, in which Lion Capital holds more than 33% of the share capital, those shares are measured in Lion Capital net asset exclusively in accordance with the international standards evaluation based on an evaluation report, updated at least annually. These companies are presented in a separate annex under the *Detailed Portfolio Statement*.

- Fixed income financial instruments are measured using the method based on the daily recognition of interest and amortization of the discount / premium for the period passed from the date of the investment.

- The shares of companies in insolvency, judicial liquidation or reorganization proceedings are valued at zero until the procedure is completed.

- The values of non-portfolio items considered in the calculation of net assets are in accordance with International Financial Reporting Standards ("IFRS").

The valuation methods applied by the Company to evaluate the financial assets in the portfolio are presented on Company's website, www.lion-capital.ro, in the operating documents as AIFRI, namely Simplified Prospectus, Rules of the Fund in the section *Corporate Governance › AIFRI,* and in the section *Portfolio Management › Net Asset › Methods for the Measurement of Lion Capital's Assets.*

Liquidity analysis of issuers that have not been measured on the mark-to-market principle

Through *Regulation no. 20/2020 amending and supplementing ASF Regulation no. 9/2014 on the authorization and operation of investment management companies, collective investment undertakings in transferable securities, and depositaries of collective investment undertakings in transferable securities, as well as repealing paragraphs (11) and (12) of Article 45 of ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds* (published in Official Gazette 789/28.08.2020), the Financial Supervisory Authority approved the completion of the evaluation methods for calculating net assets provided for in Articles 113-122 of ASF Regulation no. 9/2014, allowing for the use of the fair value evaluation method in accordance with appraisal standards for issuers listed on a stock exchange but with low liquidity (without an active market) for the calculation of net asset value (NAV).

In accordance with ASF regulations, an internal analysis of the liquidity of issuers in the portfolio listed on the regulated market or on the AeRO market operated by the BVB was conducted in February 2023, aiming to identify situations where the market marking principle is not relevant, following the provisions of IFRS 13 – "Fair Value Measurement" regarding the definition of an "active market" and the main aspects to be considered in measuring fair value.

The conducted analysis ascertained that:

• The active market criteria are not met for several issuers in the portfolio, as both in the last 12 calendar months analysed (Jan. 2022 - Jan. 2023), and in February 2023, transactions representing less than 1% of the issuer's share capital were recorded, with the total number of transactions being less than 50 (in the same analysed interval), and their frequency being insufficient to meet the criterion of providing reliable price information continuously.

• Considering the provisions of Article 114, paragraphs (4) and (5) of ASF Regulation no. 9/2014, supplemented by ASF Regulation No. 20/2020, we consider it opportune and necessary to maintain the evaluation methodology for majority participations without an active market – SIF Imobiliare Plc, SIF Hoteluri SA Oradea, IAMU SA Blaj, using the evaluation method permitted under Article 114, paragraph (4), namely, the shares of these companies to be measured in the Lion Capital's assets in accordance with the applicable evaluation standards, based on an evaluation report. The application of the mark-to-market method is irrelevant for these issuers based on the presented analysis.

• This approach ensures both increased convergence between the monthly reporting of net assets and the financial-accounting statement, and a reduction in the monthly volatility of the values included in the calculation of the Net Asset Value reported to investors.

• A summary of the market analysis for these companies is presented in the following table:

DENOMINATION		SIF IMOBILIARE	SIF HOTELURI	IAMU
No. of shares held by Lion Capital		4,499,961	31,820,906	7,286,299
Stake held		99.9997%	98.9997%	76.70%
Trades in 2022	Total volume	-	18,500	14,627
	no. of trading days	-	24	55
% trade volume in 2022 of:	Share capital	-	0.05756%	0.15397%
	LION stake	-	0.05814%	0.20075%
Trades <12 months	Total volume	-	100,927	4,241
	no. of trading days	-	35	33
% trade volume in <12 months of:	Share capital	-	0.31400%	0.04464%
	LION stake	-	0.31717%	0.05821%
Trades in February 2023	Total volume	-	84,927	-
	no. of trading days	-	12	-
% trade volume in February 2023 of:	Share capital	-	0,26422%	-
	LION stake	-	0,26689%	-

Portfolio Structure

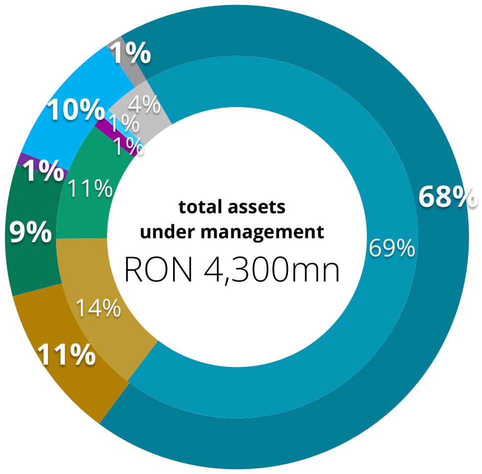
The investment limits and restrictions applicable to operations carried out by Lion Capital throughout 2023 have complied with the legal provisions established by Law no. 243/2019 regarding the regulation of alternative investment funds, applicable to the status of a closed-ended, diversified alternative investment fund intended for retail investors. No breaches of these limits were recorded in 2023.

The management has established procedures for the internal management of risks aimed at identifying, monitoring, and covering the risks associated with the investments made by the Company. The management regularly reviews compliance with prudential limits and investment restrictions so that, in the event of unintentional breaches of applicable investment restrictions due to fluctuations in market prices or other circumstances, the management can take immediate corrective action.

The detailed statement of Lion Capital's investments as of December 31, 2023, prepared pursuant to Annex 11 of Regulation no. 7/2020, is presented as annex to this report.

ASSETS UNDER MANAGEMENT as of December 31, 2023

breakdown on classes (weight on total assets)



■ **listed shares**
worth **RON 2.944,09mn**
(31.12.2022: RON 2,336.59mn)

■ **unlisted shares**
worth **RON 463,12mn**
(31.12.2022: RON 492.83mn)

■ **unlisted fund units**
worth **RON 395,55mn**
(31.12.2022: RON 362.94mn)

■ **corporate bonds**
worth **RON 37,45mn**
(31.12.2022: RON 37.58mn)

■ **bank deposits + cash available**
worth **RON 408,81mn**
(31.12.2022: RON 26.61mn)

■ **receivables and other assets**
worth **RON 51,45mn**
(31.12.2022: RON 144.62mn)

Note: values calculated as of December 31, 2023 (the outer ring), and December 31, 2022 (the inner ring), as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020

As of December 31, 2023, the value Lion Capital’s stock portfolio reached RON 3,407.21mn (2022: RON 2,829.43mn) having a weigh of 79.23% in the total assets under management at 2023 year-end.

Stock Portfolio Structure

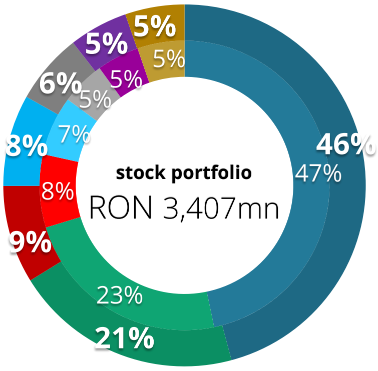
Reported in relation to the market value of the portfolio, a significant weight in the portfolio structure at the end of 2023 is still held by the financial-banking sector (45.82%), which includes banks, AIF, and AIFM (SIFs), as well as other companies in the financial sector, the commerce - real estate sector (20.38%), and the pharmaceutical sector (8.76%).

The financial-banking sector continues to occupy the most important share in the portfolio under management, and the value of holdings in this sector, calculated in accordance with ASF regulations, recorded an increase during 2023, driven by the growth of the quotations of securities on the trading markets.

Lion Capital's asset portfolio fell within the holding limits set by ASF regulations throughout 2023. Detailed information is provided in the *Risk Management* subchapter.

STOCK PORTFOLIO

breakdown by sector



financial - banking
stakes in **11** companies, worth **RON 1,561.27mn**
(31.12.2022: 13 companies, worth RON 1,322mn)

commerce – real estate
stakes in **8** companies, worth **RON 694.25mn**
(31.12.2022: 12 companies, worth RON 667.07mn)

pharmaceuticals
Stake in **1** company, worth **RON 298.37mn**
(31.12.2022: 2 companies, worth RON 231.07mn)

energy - utilities
stakes in **3** companies, worth **RON 278.83mn**
(31.12.2022: 5 companies, worth RON 187.75mn)

cardboard and paper
stakes in **4** companies, worth **RON 215.18mn**
(31.12.2022: 4 companies, worth RON 139.47mn)

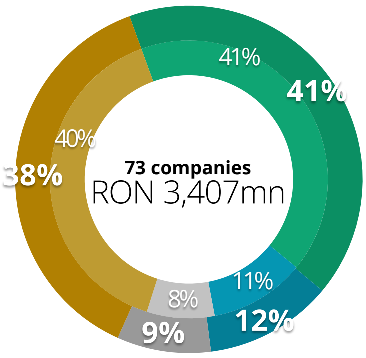
hospitality (hotels and restaurants)
stakes in **3** companies, worth **RON 178.79mn**
(31.12.2022: 4 companies, worth RON 133.52mn)

other industries and activities
stakes in **43** companies, worth **RON 180.53mn**
(31.12.2022: 52 companies, worth RON 148.55mn)

Note: percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of December 31, 2023 (the outer ring), and December 31, 2022 (the inner ring), as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020

STOCK PORTFOLIO

breakdown by stake held



up to 5%
stakes in **23** companies
worth **RON 1,418.06mn** (31.12.2022: 29 companies, RON 1,173.25mn)

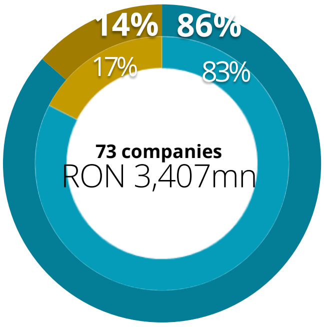
5-33%
stakes in **36** companies
worth **RON 405.48mn** (31.12.2022: 47 companies, RON 314.33mn)

33-50%
stakes in **3** companies
worth **RON 298.37mn** (31.12.2022: 3 companies, RON 223.05mn)

over 50%
majority stakes in **11** ecompanies
worth **RON 1,285.31mn** (31.12.2022: 13 companies, RON 1,118.81mn)

Note: percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of December 31, 2023 (the outer ring), and December 31, 2022 (the inner ring), as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020

STOCK PORTFOLIO
breakdown on liquidity



■ listed companies

RON 2,944.09mn *(31.12.2022: RON 2,336.59mn)* value of shareholdings in **25** companies *(31.12.2022: 32)*

■ unlisted companies

RON 463.12mn *(31.12.2022: RON 492.84mn)* value of shareholdings in **48** companies *(31.12.2022: 60)*

Note: percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of December 31, 2023 (the outer ring), and December 31, 2022 (the inner ring), as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020

Stock Portfolio Management

At the end of 2023, Lion Capital held majority stakes - over 50% of the share capital of the issuer - in 11 companies (2022: 13) with a combined value of RON 1,285.31m, representing 31.39% of NAV (Net Asset Value).

Throughout 2023, Lion Capital's leadership continued their efforts to streamline the management process of majority stakes, actively engaging and supporting the development plans and medium to long-term strategies of the companies. In 2023, the Company collected dividend income amounting to RON 151.9mn. Structurally, 36.7% of the dividend volume was collected from companies where Lion Capital holds the majority shareholding, 33.3% originated from dividends distributed by banking companies, and 30% from other companies.

TOP 10 COMPANIES IN LION CAPITAL PORTFOLIO as of December 31, 2023

Company (market symbol)	**Sector**	**Stake**	**Value* [RON]**	**% of NAV**
1. Banca Transilvania **(TLV)**	financial - banking	4.78%	925,525,332	22.60%
2. SIF Imobiliare Plc **(SIFI)**	real estate	99.99%	429,656,276	10.49%
3. Biofarm **(BIO)**	pharmaceuticals	36.75%	298,367,588	7.29%
4. SIF1 IMGB	real estate	99.99%	256,399,766	6.26%
5. BRD Groupe Société Générale **(BRD)**	financial - banking	1.95%	243,989,706	5.96%
6. Vrancart **(VNC)**	cardboard and paper	76.05%	214,794,935	5.25%
7. SIF Muntenia **(SIF4)**	financial (AIF)	17.93%	213,105,316	5.20%
8. OMV Petrom **(SNP)**	energy – utilities	0.57%	203,994,153	4.98%
9. SIF Hoteluri **(CAOR)**	hospitality	99.00%	95,959,124	2.34%
10. SAI MUNTENIA INVEST	financial (AIFM)	99.98%	94,947,003	2.32%
TOTAL			**2.976.739.199**	**72.69%**

** computed as per ASF Regulations ASF no. 9/2014 (art. 113-122), no. 2/2018, NAV = net asset value*

As it predominantly consists of companies listed on regulated markets, the structure and composition of the portfolio are adapted to recent economic changes, while maintaining a balance and diversification across various economic sectors. The aim is to capture growth and development opportunities in line with the assumed investment risks. In this context, continuous evaluation of economic dynamics, macroeconomic and geopolitical factors, as well as capital markets, is necessary to identify and manage potential risks that could affect the company's portfolio.

Information on the largest shareholdings in the stock portfolio

1. BANCA TRANSILVANIA

Consolidated Results (mRON)	2022	2023*	Δ
Net Interest Income	4,426.6	5,213.6	17.8%
Net Fee and Commission Income	1,167.8	1,284.3	10.0%
Net Trading Income	686.0	657.0	-4.2%
Operating Income	6,279.9	7,742.7	23.3%
Operating Expenses	2,983.7	3,523.6	18.1%
Gross Result	2,801.0	3,706.2	32.3%
Net Profit	2,488,4	2,984.5	19.9%

**preliminary results*

The assets of the BT Financial Group reached RON 169.2bn by the end of 2023, increasing by over 20% YoY. Loans grew to RON 75.6bn (+11% YoY), while customer deposits reached RON 138bn (+15% YoY).

The consolidated net profit of the BT Financial Group amounts to RON 2,984.5mn, of which that of the bank is RON 2,490.6mn. The bank's operating profit upsurged by 30% YoY, reaching RON 3,501.7mn.

The number of active clients continued its growth, reaching 4.2mn clients. Operational efficiency, reflected by the cost/income ratio, improved, reached 45.6%. The gross loan balance increased by 13% YoY, with a higher dynamic in corporate loans compared to retail loans, and the non-performing exposure ratio decreased from 2.44% to 1.98%. Return on equity was 25%, exceeding the domestic banking system average of 20.4%.

Banca Transilvania, trading under the stock symbol TLV (ISIN: ROTLVAACNOR1), is listed on the Bucharest Stock Exchange, trading on the Main segment, Premium category. Lion Capital holds a 4.78% stake in Banca Transilvania as of December 31, 2023.

2. SIF IMOBILIARE PLC

Consolidated Results	2021	2022	2023*
Revenues [mEUR]	8.5	10.1	13.5
Gross Profit [mEUR]	6.2	7.9	12.4
Net Profit [mEUR]	5.8	6.1	12.4

** data published by the company on BVB*

SIF Imobiliare Plc is the important company in from the real-estate sector in Lion Capital's portfolio, holding a stake of 99.99% of its share capital.

The holding SIF Imobiliare Plc was established in 2013 following the decision of Lion Capital (then SIF Banat-Crișana) to create a centralized managing structure, according to the principles of an integrated management, for several companies with activities in the real estate field. This decision was based on the unification of objectives, the minimization of operational costs, the maximization of revenues and at the same time to seize the opportunities arising in the market.

The General Meeting of Shareholders of April 2023 decided to distribute the amount of 2,429,985 euros as dividends from the profit of the year 2022, the dividend per share being of EUR 0.54.

SIF Imobiliare Plc is listed on BVB since December 23, 2013, its securities are traded on AeRo exchange segment under the ticker SIFI (ISIN: CY0104062217). The independent auditor for SIF Imobiliare Plc is Evoserve Auditors Limited from Cyprus.

3. BIOFARM

	2021	2022	2023*
Turnover [mRON]	239.0	276.9	280.3
Operating Profit [mRON]	68.1	77.7	76.8
Net Profit [mRON]	60.3	70.9	77.01
Dividends [mRON]	23.6	29.56	N/A

**preliminary results*

Currently, Biofarm is the largest Romanian producer of soft gelatine capsules, ranking among the top three producers of oral solutions and suspensions, and is also one of the largest producers of tablets and coated tablets in Romania. Biofarm's portfolio comprises over 20 leading brands, covering the most important therapeutic areas in the Consumer Healthcare division – digestive & metabolic, respiratory & ENT, cardiovascular & circulatory, nervous system, multivitamins, with nine portfolio brands holding a leading position in terms of volumes in the reference markets.

Biofarm has reached total investments of over EUR 44mn in the new factory inaugurated in Q4 2021 in Bucharest, the largest greenfield investment in the pharmaceutical field in Romania. The factory covers an area of over 10,000 square meters, with four production lines for tablets/film-coated tablets/coated tablets, soft capsules, solutions, and syrups. Biofarm officials aim to double turnover in the next five years, a plan to which the new factory will significantly contribute, considering that the new Biofarm production unit represents a crucial pillar in achieving the company's strategic objectives: portfolio development through line extensions, new product launches, and expansion into foreign markets.

Biofarm continued to achieve remarkable results in 2023, recording a +1.23% increase in turnover and an +8.62% increase in net profit compared to the previous year.

Biofarm, presently under stock symbol BIO (ISIN: ROBIOFACNOR9), has been listed on the BVB since November 19, 1996, currently trading on the Main segment, Premium category. Lion Capital holds a stake representing 36.75% of Biofarm's share capital as of December 31, 2023.

4. SIF 1 IMGB

Lion Capital (SIF Banat Crișana) acquired the majority stake in Doosan IMGB SA in 4Q of 2020, representing 99.92% of the share capital. Following the acquisition, the company's name was changed to SIF1 IMGB SA.

As a result of the General Shareholders' Meeting in January 2020, the decision to cease production activities was approved, which was gradually implemented between February and May 2020.

In 2021, the General Shareholders' Meeting approved the strategy for asset monetization and liabilities settlement of the Company in view of transforming the former industrial platform into a modern mixed urban project. Accordingly, in the first half of 2021, measures were initiated/carried out to monetize the surplus assets of SIF1 IMGB SA, as per the decision of the AGM in March 2021.

The company achieved a net profit of RON 103.6mn in the 2022 financial year, compared to a net loss of RON 47.6mn in 2021.

5. BRD - GROUPE SOCIÉTÉ GÉNÉRALE

Consolidated Results (mRON)	2022	2023*	Δ
Net Interest Income	2,370.4	2,725.2	15.0%
Net Fee and Commission Income	754.3	750.2	-0.5%
Net Trading Income	316.2	340.8	7.8%
Net Banking Income	3,459.2	3,834.2	10.8%
Operating Expenses	1,744.6	1,895.1	8.6%
Gross Result	1,619.5	1,996.5	23.3%
Net Profit	1,337.1	1,655.8	23.3%

** preliminary results*

The assets of BRD - Groupe Société Générale SA reached RON 83.9bn by the end of 2023, marking a year-on-year increase of 13.6%. Loans increased to RON 40.8bni (+12.5% YoY), while customer deposits reached RON 62.4bni (+10% YoY).

The consolidated net profit of BRD - Groupe Société Générale Group amounted to RON 1,655.8mn, of which the bank's profit was of RON 1,634.2mn.

The lending activity was particularly dynamic, especially in the corporate sector (+23% YoY). Operational efficiency, reflected by the cost/income ratio, improved slightly YoY, from 50.4% to 49.4%. The net loan balance increased by 12.8% YoY, with a higher dynamic in large corporate loans compared to retail, and the non-performing exposure ratio decreased from 2.6% to 1.9%. Return on equity was 21%, exceeding the 2022 level of 15.9%.

BRD - Groupe Société Générale, trading under the stock symbol BRD (ISIN: ROBRDBACNOR2), is listed on the Bucharest Stock Exchange on the Main segment, Premium category. Lion Capital SA holds a 1.95% stake in BRD - Groupe Société Générale as of December 31, 2023.

6. VRANCART

Consolidated Statements	2021	2022	2023*
Turnover [mRON]	453.9	614.1	508.5
Operating Profit [mRON]	12.4	37.7	19.8
Financial Result [mRON]	-4.6	-12.0	-12.2
Amortization and Depreciation [mRON]	35.1	34.9	42.9
Net Profit [mRON]	6.34	22.9	5.8

** preliminary results*

During 2023, the performance of Vrancart Group was influenced by the declining demand for packaging, driven by the contraction in consumption at the macroeconomic level, due to the still high level of annual inflation, as well as the record-high interest rates. Labor costs also represented a stress factor on profitability. Pressure on selling prices caused by the contracting demand posed a significant challenge in maintaining profitability. Despite the negative impact on the financial situation, the results of the Group at the end of 2023 confirm its ability to generate profit, as well as the Group's resilience to adverse market changes.

The Vrancart Group includes:

Rom Paper SRL ("Branch 1"), established in 2002, is a privately-owned company with Romanian capital, operating in the production of hygienic-sanitary articles from recycled paper and cellulose, such as: table napkins, folded towels, toilet paper, professional rolls, cosmetic towels, and boxed napkins. The products are sold both in Romania and in 6 other countries, through retail chains (hypermarkets, supermarkets, cash and carry), as well as through distributors, standing out on store shelves with its own brands "Mototol" and "Papely", as well as various private labels of its customers. As of December 31, 2023, the Group owned 100% of the company's equity shares.

Vrancart Recycling SRL ("Branch 2"), established in August 2020, is a privately-owned company with Romanian capital, with a sole associate. The main activity of this branch is the treatment and disposal of non-hazardous waste. This company was established with the aim of developing the Group through a greenfield investment, worth over EUR 25mn, in adjacent areas of recycling and thermal and electric energy production, which will cover a wide variety of recoverable resources that it will market or internally utilize following the newly created synergies.

Ecorep Group SA ("Branch 3"), established in November 2020, is a privately-owned company with Romanian capital. The main activity of this branch is to provide services regarding the implementation of producer extended responsibility obligations for environmental targets related to packaging placed on the Romanian market. The Group holds 99.6% of the company's shares.

The shares of Vrancart SA are listed on the Bucharest Stock Exchange starting from July 15, 2005, on the Standard category, having the symbol VNC (ISIN: ROVRJUACNOR7). The company is owned 76.05% by Lion Capital SA, 17.29% by Pavăl Holding SRL, and 6.66% by other shareholders.

7. SIF MUNTENIA

	2021	2022	2023*
Net Profit [mRON]	266.19	-33.22	212.8
NAV/S [RON]	2.5267	2.4367	2.9918
Dividends [mRON]	-	-	N/A

** preliminary results*

Societatea de Investiții Financiare Muntenia SA is a Romanian joint-stock company, a legal entity classified according to applicable regulations as an alternative investment fund of the type of investment companies - AIF, aimed at retail investors - AIFRs, with a diversified, closed-end investment policy, having over 5 million shareholders. The company is managed by SAI Muntenia Invest SA. The specific activities regarding the storage/custody of assets of SIF Muntenia SA are ensured by the depositary company Banca Română de Dezvoltare - Groupe Société Générale SA under an asset custody contract.

SIF Muntenia SA shares, symbol SIF4 (ISIN: ROSIFDACNOR6) are traded on the Bucharest Stock Exchange, on the Premium category. The company has a portfolio of financial instruments consisting of the following main categories of financial instruments: shares, bonds, fund units, and bank deposits.

As of December 31, 2023, Lion Capital holds a stake representing 17.93% of the share capital of SIF Muntenia.

8. OMV PETROM

Consolidated Statements	2021	2022	2023*
Sales Income [mRON]	26,011.1	61,344,4	38,808
Operating Result [mRON]	3,708.8	12,038.7	7,554
Financial result [mRON]	-310.7	17.1	263
Amortization and Depreciation [mRON]	3,399.4	5,064.3	3,216
Net Profit [mRON]	2,864.3	10,300.0	4,030

** preliminary results*

The value of consolidated sales revenues, amounting to RON 38,808mn in 2023, decreased by 36.7% compared to 2022. Production decreased by 6.8%, mainly due to natural decline and planned maintenance works, partially offset by the contribution of major repairs to wells and new wells. The production cost increased by 33% to 17.8 USD/boe, primarily due to cost inflation, reduced available production for sale, and an unfavourable exchange rate.

The reserve replacement ratio was 207% in 2023, as a result of the significant additions to proven reserves made following the final investment decision for the Neptun Deep project.

Operating income in 2023 decreased to RON 7,554mni, vs. RON 12,038mn in 2022.

OMV Petrom SA, trading under the symbol SNP on the BVB (ISIN: ROSNPPACNOR9), is currently listed on the Main segment, on the Premium category. As of December 31, 2023, Lion Capital holds a 0.57% stake in the share capital of OMV Petrom.

9. SIF HOTELURI

	2021	2022	2023*
Total Revenues [mRON]	26.46	77.65	21.79
Total Expenses [mRON]	20.81	74.04	11.18
Net Profit [mRON]	4.59	1.75	8.61

** preliminary results*

Total revenues amounted to RON 21.79mn as of December 31, 2023, a decrease of RON 55.86mn vs. December 31, 2022. Total expenses as of December 31, 2023, amounted to RON 11.18mn, a decrease of RON 62.86mn vs. December 31, 2022. The net profit recorded as of December 31, 2023, was of RON 8.61mni, which is RON 6.86 million higher than the previous year.

The company sold several assets recently - DoubleTree by Hilton (2022), Eurohotel Baia Mare (2023), and Hotel Rusca (2021). At the end of 2023, it still owns two hotels, Eurohotel Timișoara and Hotel and Autogara Beta.

In the Extraordinary General Meeting held on March 9, 2023, shareholders decided the share capital reduction by the amount of RON 73.93mn, considering the need to optimize the size of the share capital, approving the reimbursement of a proportionate share of contributions relative to their participation in the paid-up share capital.

The Trade Registry Office of Bihor rejected the application for registration of amendments in the Trade Registry regarding the reduction of the share capital, citing the existence of a seizure over a package of shares in favour of the National Agency for Fiscal Administration (ANAF) (individual shareholder). The company filed a complaint against the decision of the Trade Registry Office with the Bihor Tribunal, winning the case in the first instance, and in accordance with the information published on the Ministry of Justice's Courts Portal, at the hearing on 19.03.2024, the court rejected as unfounded the appeal filed by ORC Bihor and upheld in its entirety the first-instance decision of the Bihor Tribunal as pronounced. The decision is final. Once the changes made in the Findings Certificate are published, the Company will initiate the procedures for registering the reduction of the share capital with the capital market authorities and will inform the shareholders about any significant developments that may arise.

SIF Hoteluri, trading under the stock symbol CAOR (ISIN: ROCAORACNOR9), is listed on the BVB and traded on the Standard category. Lion Capital holds 99% of the share capital of SIF Hoteluri as of December 31, 2023.

10. SAI MUNTENIA INVEST

	2021	2022	H1 2023
Total Income [mRON]	53,11	30,93	17,11
Total Expenses [mRON]	10,72	11,98	8,35
Net Profit [mRON]	35,86	16,07	8,76

Societatea de Administrare a Investițiilor (Investment Management Company) Muntenia Invest SA (“SAI Muntenia Invest”) was established in 1997, becoming part of Lion Capital's portfolio in 2013.

SAI Muntenia Invest does not have branches or subsidiaries. As of December 31, 2023, Lion Capital holds 99.98% of the share capital of SAI Muntenia Invest.

The main activity of the company (NACE Code 6499 - Other financial intermediation not elsewhere classified) is the management of collective investment undertakings in transferable securities (UCITS) established in Romania or in another member state, and the management of alternative investment funds (AIFs), in compliance with the relevant legislation, holding the ASF authorization to operate as an investment management company (IMC, Romanian acronym: SAI). The activities of SAI Muntenia Invest are regulated and supervised by the ASF.

During 2023, SAI Muntenia Invest's current activities included the management of SIF Muntenia S.A., FDI PLUS Invest, and FIA Muntenia Trust. The management and investment of the financial assets portfolio for SIF Muntenia S.A. were carried out in accordance with the applicable legal provisions, the management contract concluded between SAI Muntenia Invest and SIF Muntenia S.A., the articles of association of SIF Muntenia S.A., and the provisions of the Management Program approved by the General Meeting of Shareholders of SIF Muntenia S.A. on April 27, 2023.

The open-ended investment fund PLUS Invest operates under authorization no. A/86/09.04.2014 issued by the Financial Supervisory Authority (ASF) and is registered with the ASF under number CSC06FDIR/120092. FDI Plus Invest aims to invest financial resources in a manner that protects investors' invested capital from the long-term erosive effect of inflation and achieves returns superior to those that would be obtained if the amounts were individually placed in bank deposits. In 2023, the management of the Fund was carried out under conditions of continuity, in compliance with the Fund's documents and the applicable legal regulations.

FIA Muntenia Trust falls into the category of Alternative Investment Funds (AIFs) of contractual type with private capital (Romanian acronym: FIAIPCP) intended for professional investors, aiming to identify opportunities that offer risk-adjusted returns superior to those on individual investments, for the long-term growth of invested capital. FIA Muntenia Trust was authorized as an FIAIPCP by ASF authorization no. 147/13.10.2022 and is registered with the ASF under no. CSC09FIAIPCP/400001. The Fund's objective is to mobilize financial resources attracted from its investors for investment purposes, generally in shares and bonds of companies in Romania. The Fund targets professional investors with an above-average risk appetite, who agree with and adopt the Fund's investment policy.

During 2023, SAI Muntenia Invest did not invest on its own behalf or through the entities it manages in derivative financial instruments (traded on regulated markets, organized trading facilities (OTFs), or over-the-counter (OTC) markets) and did not use leverage, guarantees, or asset reuse techniques. Additionally, it did not carry out financing operations through financial instruments (SFT - securities financing transactions) nor used total return swap instruments, as defined by EU Regulation 2015/2365.

Workout Portfolio

Within the internal structure for shareholdings management, the workout portfolio consists of companies undergoing various stages of judicial liquidation, insolvency, or those inactive and susceptible to entering insolvency proceedings.

As of December 31, 2023, the number of these companies was of 40 (December 2022: 43). These companies mainly originate from the historical portfolio taken over from the Private Property Fund 1 at the time of establishing SIF Banat-Crișana (the former corporate name of Lion Capital) as a joint-stock company in 1996, not being the result of a portfolio investment decision.

During 2023, two companies were added to the workout portfolio. Additionally, four companies were removed from the portfolio due to liquidation, whose value had been provisioned in previous years, and one company was sold on the capital market.

As of December 31, 2023, a total of 36 companies were in bankruptcy/insolvency/dissolution proceedings. These companies are reflected in the calculated value of the portfolio at zero.

The Company monitors the performance of companies in the workout portfolio without allocating significant resources. The main activities regarding these companies include: (i) monitoring and recording significant events occurring within them; (ii) exercising shareholder duties, monitoring the legality and timeliness of management decisions; (iii) selecting appropriate legal means to protect the interests of the company in case of potentially illegal OGM resolutions; (iv) drafting and submitting claims/other legal documents required to be formulated; (v) periodic verification of insolvency files in the Insolvency Proceedings Bulletin and on the courts' portal and the Trade Registry website; (vi) removal from records upon companies' deregistration.

Purchases and Sales of Financial Assets in 2023

During the year 2023, the main acquisitions of financial assets were as follows:

- on domestic markets, totalling RON 80.44mn, of which RON56.69mn were investments in increasing share capital with cash contributions (RON 23.75mn representing acquisitions of securities measured at fair value through other comprehensive income, and RON 56.69mn representing acquisitions of securities measured at fair value through profit and loss).
- shares acquired without consideration, as a result of increasing share capital by incorporating the profit by Banca Transilvania (4.3m shares).

The main disposals of assets made during the year 2023 include:

- sales of shares, reflected at fair value through other comprehensive income amounting to RON 183.8mn, and shares in associated entities reflected as assets at fair value through profit and loss amounting to RON 40.3mn.
- the value of securities derecognized from the portfolio due to the write-off of companies totalling RON 0.3mn (the net book value adjusted to zero in previous years).

In 2023, the portfolio restructuring continued to improve its quality, consistently aiming to reduce minority exposures that do not fit into the Company's investment strategy. The exit from closed/illiquid, underperforming, or exhausted growth potential companies was considered based on internal analyses. Exiting these companies creates sources for reinvestment in assets with superior returns, while maintaining the risk profile associated with the portfolio and ensuring sustainable long-term profitability. Efforts to restructure the portfolio will continue in 2024.

Engagement policy and principles on exercising the voting rights for the portfolio under the management in 2023

Lion Capital operates in the best interest of its shareholders, pursuing a strategy of active engagement with the issuers of financial instruments in which it invests, aiming to enhance their long-term value creation potential and increase risk-adjusted performance for its investors, depending on its influence within various issuers and the relative volume of investments.

The scope of the engagement policy promoted targets the issuers of financial instruments held in the Fund's portfolio with headquarters in the European Union and whose shares are traded on a regulated market. The purpose of the engagement policy is to establish the rules under which the Fund exercises its voting rights attached to the financial instruments held in the portfolio and to demonstrate how it incorporates shareholder engagement into its investment strategy.

In 2023, the Fund acted on several fronts regarding the engagement policy:

a) Monitoring of issuers and corporate events that occurred throughout the year

For each company, financial and non-financial reports, general meetings of shareholders, and the impact of decisions made were monitored, as well as other significant aspects likely to influence the company's assets, performance, value, or development. The information gathered and the reports prepared by the Investment Department employees served as both a basis for decision-making at general meetings of shareholders and as a basis for internal analyses conducted.

b) Dialogue with issuers

To complement the view of the financial and non-financial position, constant dialogue was maintained with issuers, especially in the case of companies in which Lion Capital holds significant stakes. Visits were made to the headquarters of some companies, participation in organized teleconferences took place, and information was requested, including through written correspondence.

c) Exercise of voting rights

As the main instrument of engagement in the activities of portfolio companies, voting in general meetings of shareholders was used by Lion Capital in accordance with the Engagement Policy as well as the objectives and Investment Policy approved by the Board of Directors.

In all cases where the Fund exercised its voting rights, the company's employees analysed and evaluated each resolution put to the vote, particularly:

- the possible effects on the issuer's assets;
- how they affect the financial and non-financial performance of the issuer;
- how they affect the rights and interests of Lion Capital and other holders of financial instruments;
- the impact on social, environmental, and corporate governance factors within the issuers;
- possible conflicts of interest generated by the personal interests of the management structures within the issuers as well as those of other holders of financial instruments, their affiliates/subsidiaries/group companies.

All voting methods were used, depending on the specific situation: electronic/voting by correspondence, direct participation of legal representatives, or representation by proxy in general meetings.

In 2023, Lion Capital participated in all general meetings of issuers where the company's voting power is strategically important, actively involving itself in decisions regarding the approval of financial statements, revenue and expense budgets, investment programs, as well as all other resolutions proposed and discussed at the respective general meetings.

Lion Capital supports companies in which it is at least a significant shareholder to include sustainability in their business strategy, to integrate sustainability-related risks, to consider the negative effects on sustainability and sustainable investment objectives or on the promotion of environmental or social characteristics in the decision-making process.

The document outlining in detail the *Engagement Policy and Principles Regarding the Exercise of Voting Rights* for the portfolio under Lion Capital's management is available for consultation on the company's website, www.lion-capital.ro, under the Corporate Governance section.

Risk Management

Risk management requires assessing available input data and to evaluate them and their compliance with the risk limits and the overall risk profile embraced. The outcome of monitoring is reflected in periodic reports issued by the Risk Management Office and submitted to inform the senior management (Board of Directors and directors).

In 2023, the Risk Management Office issued quarterly reports monitoring investment risk and liquidity risk for the portfolio of financial assets, monitoring prudential holding limits, operational risk events, and other types of risks defined by the general risk profile.

The individual responsible for risk management analyses investment proposals prepared by the Investment Managers to ensure that the risks associated with each investment position and their overall impact on the portfolio align with the investment objectives and risk profile approved by the Board of Directors.

Main Risks for the Fund

The risks identified and assessed through the general risk profile arise from daily activities as well as from achieving strategic objectives, potentially resulting in capital losses or lower investment performance relative to the risks assumed, with significant impact on the financial and/or reputational position of the Company.

The potential financial risks associated with the Fund's investment activities are grouped and generically defined as “investment risk”, which includes: (i) market risk; (ii) liquidity risk; (iii) credit and counterparty risk.

In analysing investment risk and its potential materialization, all significant holdings of the Company have been structured according to relevant portfolios of financial instruments into 3 classes of instruments: (i) equity instruments: listed shares, unlisted shares; (ii) debt instruments: bonds (governmental, municipal, corporate), bank deposits (placements), units of funds issued by investment funds, (iii) derivative instruments for risk reduction/coverage/management – a category not represented in the portfolio in 2023.

For the risks associated with each class of mentioned instruments, the rules of identification, assessment, and monitoring described in the approved specific risk procedures are applied.

a) Market Risk

The Fund is exposed to the risk that the fair value of financial instruments held may fluctuate due to changes in market prices caused by either issuer-specific factors or factors affecting all instruments traded in the market.

The risk of the PROXI-85 portfolio, a reference for price risk at the level of the traded equity portfolio, is analysed compared to the total risk of the BET-BK index as a future forecast of volatilities.

Positive economic sentiment supported by slowing inflation growth and hopes of interest rate reduction dominated the capital markets throughout 2023 and supported the appreciation of stock prices. Most major global indices closed the year with positive returns, some marking historical highs.

In this context, the market value of PROXI-85 increased by 21% from the beginning of the year to RON 2,416.75mn, more pronounced in the second half of 2023. The portfolio's risk consistently decreased in 2023; as of 31.12.2023, VaR for the PROXI-85 portfolio was 8.92%. Tracking-error, indicating active management and representing the risk for the part of the PROXI-85 portfolio different from the BET-BK benchmark index, was of 5.48%, while Expected shortfall (Conditional VaR), indicating the potential loss of the portfolio in extreme cases exceeding the 99% confidence level, was of 10.83%, down from the half-year data.

The Fund is exposed to the risk that changes in market interest rates (ROBOR 3M and EURIBOR 3M) may be reflected in the fair value or future cash flows for the portfolio of assets and debt instruments. This includes bonds issued by Vrancart SA denominated in RON and the loan granted to SIF SPV TWO in EURO (financial asset), the weight of these exposures in the total assets decreased to 1.62% after the repayment of some instalments of the loan granted. Both bonds and the loan granted fall within the remaining maturity range of up to 5 years.

No derivative financial instruments were used for protection against interest rate fluctuations.

The value of the Fund's exposure to currency risk (instruments and financial assets denominated in euro: shares, loan granted to the subsidiary, as well as monetary instruments: deposits and current accounts) represents a weight of 15.45% of total assets at the end of 2023, the exposure limit to currency risk, set through the risk profile for a medium to high level of currency risk appetite, being complied with.

No transactions with derivative instruments on exchange rates were carried out during the financial year presented.

The Fund's diversification policy applies to the portfolio structure, business model structure, and exposure structure to financial risks.

The top 3 sectors with significant weights in the total asset structure are the banking sector, investment management, and the real estate sector, accounting for 62.67% of total assets, down from 67.61% of total assets in December 2022. Exposure to the banking sector remains significant, with issuers from the banking sector and financial instruments issued (equity instruments, deposits, and current accounts) accounting for 36.82% in TA at the end of 2023. The increase is due to both the appreciation of banking issuer quotations and collecting due dividends.

Diversifying investment allocation by increasing exposure to other sectors (with smaller weights or sectors without exposure) remains an objective of the Fund to reduce portfolio concentration risk.

b) Liquidity Risk

The Fund maintains an adequate level of liquidity to meet its support obligations, based on an assessment of the relative liquidity of assets in the market, taking careful consideration of the time needed for liquidation and the price or value at which the respective assets can be liquidated, as well as their sensitivity to market risks or other market factors. In the liquidity risk management process, the liquidity of the portfolio of financial instruments is analysed separately from the liquidity risk associated with payment obligations.

The liquidity profile of the equity portfolio is largely influenced by the liquidity of the market in which they are traded; only 11 companies in the portfolio, listed on the BVB, meeting the liquidity criterion regarding daily transactions.

The liquidity risk associated with the Fund's payment obligations is low, as current liabilities can be immediately covered by the balance of current accounts and short-term deposits. The immediate net LCR ratio at the end of 2023 is evaluated at 33.49, indicating a higher value of assets compared to current liabilities.

To limit/avoid liquidity risk, the company will consistently adopt a prudent cash outflow policy.

c) Credit Risk

The Fund is exposed to credit and counterparty risk due to investments made in debt instruments issued by commercial companies, current accounts and bank deposits, and other receivables. Credit risk is mitigated by placing the Fund's cash resources in at least 3 banks, with placements made at the top banks in the system, with ratings similar or close to the country rating (BBB+ and BB+ as confirmed by rating agencies in 2023).

Credit risk management is achieved through careful and constant monitoring of credit exposures to ensure that the Fund does not incur losses due to credit concentration in a particular sector or area of activity.

The assessment of credit risk indicators for counterparties based on exposure to unrated or non-rated issuers, representing 1.62% of total assets, and based on exposure to sectors of activity, representing 9.50% of total assets, reveals an expected loss of 0.45% of the exposure value.

No transactions were conducted with derivative financial instruments (exchange-traded or OTC), so the Fund is not subject to counterparty risk.

d) Operational Risk

The company internally assesses operational risks comprehensively, including those generated by the use of information and communication technology, and has established a Register of operational risks arising from the use of information systems by people, processes, systems, and the external environment.

All relevant risk categories have been evaluated within the company, identified by responsible parties, and are documented in the risk register, considering the risks associated with activities outsourced to providers of information and communication products and services.

The company's objective is to manage operational risk in a manner that leads to limiting financial losses, protecting its reputation, achieving its investment objectives, and generating benefits for investors.

Risk limits for operational risk subcategories (legal, professional, process/model, and associated with outsourced activities) are set following an assessment of the Key Risk Indicator (KRI), with a medium appetite for operational risk.

For the year 2023, based on the value of assets under management as of the last working day of the previous year, Lion Capital was classified by ASF as having a medium risk category for operational risks generated by information systems. In March 2023, an internal assessment of operational risks generated by information systems was conducted in accordance with ASF Norm no. 4/2018 for the year 2022. From March 14th to June 22nd, 2023, the mandatory periodic audit of IT systems was carried out in accordance with ASF Norm no. 4/2018, with the final audit report presented to the Board of Directors and ASF.

In December, an operational risk event from an external source was recorded (disconnection from energy supply at the Lion Capital headquarters for more than three hours), for which a Reporting Sheet was prepared and recorded in the Operational Risk Register. Following the evaluation of the risk event and the control measures applied, the KRI indicator has a low value below the alert level, with a low probability of occurrence of the event and a low impact value. Operational expenses associated with operational risks represent a weight of 0.0013% of NAV, while the tolerance for operational risk was set at 1% of NAV within the overall risk profile for a medium risk appetite.

Money laundering and terrorist financing (ML/TF) risk

The company ensures that appropriate measures are taken to identify and assess risks related to money laundering and terrorist financing, considering risk factors, including those related to customers, countries or geographic areas, products, services, transactions, or distribution channels, proportionate to the nature and size of its business activities. ML/TF risk assessment associated with clients is carried out both at the initiation of a business relationship and subsequently during the transaction if one of the risk factors changes during it.

Following the assessment of ML/TF risks for the current reporting period, it was ascertained that all business partners have an inherently low risk (score obtained between 0-5 points). Simplified customer due diligence measures and normal monitoring of the business relationship have been applied. The total residual risk remaining after internal controls have been applied to inherent risk leads to the conclusion that Lion Capital’s exposure to ML/TF risk is low and falls within the appetite and approved limits set by the Board of Directors.

e) Other Risks for the Fund

Internal assessment of other types of risks not included in the main categories (market, credit, liquidity, operational) involves a qualitative assessment based on the impact they could have on the Fund's revenues, expenses, and asset value. Lion Capital takes necessary measures for the sustainability and development of the company in the existing conditions of the financial market, by monitoring cash flows and ensuring the adequacy of investment policies.

From a risk management perspective, reputational risk can be divided into two important classes: (i) the belief that the Fund will fulfil its promises to shareholders and investors; (ii) the belief that the Company conducts its business ethically and follows proper practices.

Regarding the effective management of events that could give rise to reputational risk, the Risk Management Office monitored the Company’s image in the media to identify any events/rumours that could generate reputational risk and correlated them with the performance of share prices on BVB.

The Company's policy regarding strategic risk relates to setting rational long-term strategic objectives, and the leadership structure will always adopt a prudent policy to limit/avoid strategic risk and continuously monitor market developments in relation to budgeted operations. According to the internal evaluation methodology, the strategic risk is low for the Company.

Regulatory (compliance) risk is uncontrollable and unquantifiable as the triggering event and the level of impact cannot be anticipated. Qualitatively, regulatory risk management has been achieved by continuously adapting policies, norms, and procedures to changes and adjusting the level of certain activities as needed. Compliance-related risks are considered components of the risk management framework. The compliance function monitors all aspects related to legal and regulatory compliance and regularly reports to directors, if necessary, in cooperation with the risk management function.

Risk avoidance and mitigation of their effects are ensured by the Company through an investment policy that complies with the prudential rules imposed by applicable laws and regulations. During the reporting period, there were no breaches of risk limits at the overall risk profile level.

Through risk management, both through pre-investment due diligence and post-monitoring, the Company ensures that portfolio management remains within appropriate risk parameters.

Internal Mechanisms Ensuring Exposure Limits Monitoring

Lion Capital has implemented an Internal Regulatory Framework defining the processes for monitoring, verification, and reporting compliance with investment limits as per Article 35 par. (2) of AIF Law no. 243/2019, approved by the Board of Directors.

Periodic Monitoring and Reporting

Verification and reporting of compliance with investment limits are conducted monthly, along with the calculation and reporting of the Fund's assets and liabilities situation to senior management and operational departments. Upon request from the BCR custodian, the report is also forwarded to them for double-checking.

Pre-Investment Due Diligence

The person responsible for risk management analyses investment proposals prepared by the Investment Analysts to ensure that the risks associated with each investment position and their overall impact on the portfolio align with the approved investment objectives and risk profile by the Board of Directors.

The risk opinion, which includes an analysis of investment proposals and verifies compliance with both the holding limits specified in Article 35 art. (2) of Law no. 243/2019 and the investment risk limits defined by the overall risk profile, together with the Investment Memorandum, are the documents based on which investments are approved according to decision-making and signature competencies within the company.

The largest individual holding is at Banca Transilvania, accounting for 21.52% of the total assets, and together with SIF Imobiliare PLC (a 9.99% weight in TA), represents an exposure of 31.51% of TA without exceeding the upper limit of 80%.

The Fund has exposure to instruments issued by the Lion Group (subsidiaries) totalling 30.80% of total assets, while the legal limit is 40% of TA.

Shares issued by UCITS and AIFs represent a weight of 14.56% of the Fund's total assets. The limits vary depending on the type of AIF, ranging between 10-50% of TA, none of which have been exceeded.

Unlisted securities and money market instruments represent 20.29% of total assets, while the legal limit is 40% of TA. As of December 31, 2023, the Fund holds 9,878,329 shares issued by Depozitarul Central, representing a 3.9057% ownership of the issuer's share capital, 142,500 shares issued by the central counterparty CCP.RO, with a 1.7857% share in the issuer's share capital.

As of December 31, 2023, the Fund holds 410,637 shares issued by the market operator Bucharest Stock Exchange SA, representing a 5.1016% ownership of the issuer's share capital.

Throughout the reporting period, Lion Capital's portfolio of assets has complied with the current legal provisions regarding permitted investments and holding limits specified by Law no. 243/2019, Law no. 24/2017, and ASF Regulation no. 3/2016.

Leverage

Through the Simplified Prospectus and the Rules of the Fund, Lion Capital has stipulated that it does not use substantially (continuously and consistently) the leverage effect, defined as any method by which the AIFM increases the exposure of an AIF it manages either by loan of cash or securities, or by positions of derivative financial instruments or by any other means, in the process of portfolio management, respectively the methods used to increase the portfolio exposure will comply with the average risk profile decided.

Throughout 2023, the Company did not use the leverage effect for the portfolio under management, not having any instruments that could generate such an effect.

Throughout 2023, the Company has not used financing operations through financial instruments and has not invested in Total Return Swap instruments as defined by Regulation (EU) no. 2365/2015. The Fund cannot make short sales, defined according to the provisions of Regulation (EU) no. 236/2012 aspects of credit risk swaps, other than for the purpose of hedging (risks).

As of December 31, 2023, the leverage indicator by the gross method had the value of 94.92%, and by the commitment method 100%.

Crisis Simulations

The Risk Management Office carried out a crisis simulation in November 2023, the methodology of which was approved by the Board of Directors on September 30, 2023, with the reference date being September 30, 2023. The methodology was based on the European Systemic Risk Board's forecasts on the risks and vulnerabilities of the non-banking financial sector.

The methodology for conducting the stress test was based on calibrating the stress factors' impact, specific macro-financial factors assumed to materialize within each part of the stress scenario. Given the persistence of high inflation for the foreseeable future and the government's fiscal measures currently being adopted, a tighter monetary policy and a nominal depreciation of the exchange rate are anticipated, impacting asset prices and liquidity decrease.

The types of risks targeted by the stress test are: (i) market risk, including the risk of price decline (stocks and fund units issued by AIFs), the risk of interest rate increase, and the risk of exchange rate depreciation; (ii) credit/counterparty risk; (iii) liquidity risk.

The result of the annual stress test, obtained as a result of the tested scenarios, was presented to the Board of Directors of Lion Capital at the meeting held on December 20, 2023.

ASF has been notified of the annual stress test planning and the results of the annual stress test.

Total Impact of Tested Scenarios on Assets Under Management

The simulation of applying the tested shocks to the various categories of financial instruments under Lion Capital's management as of September 30, 2023, indicates that they could lead to a decrease of RON 1,665.48mn in absolute value, representing -41.55% of total assets (vs. RON 1,532.03mn representing -45.74% in the previous stress test), and to NAV/S decreasing to RON 4.2353 / share (vs. RON 3.2564 /share in the previous stress test).

At the level assets under management, the most significant risk identified is market risk for investments in shares issued by companies and fund units issued by closed-end investment funds. These are exposed to the risk of price decline, accounting for 95.02% of the total risk (compared to 90.97% of the total risk in the previous stress test).

Total Impact of Tested Scenarios on the Profit and Loss Account

The applied shocks could have a negative impact on the Profit and Loss Account in the absolute value of RON 931.72mn, representing -41.91% of the accounting (book) value of assets measured at FVTPL at the reference date (compared to RON 967.53mn representing -52.46% in the previous stress test).

Liquidity Risk Crisis Simulation

The scenario analysed in the LST for assets considered with reserve liquidity (issuers listed on main markets) involved a decrease in stock prices to the level calculated in the stress scenario concurrently with a decrease in trading volumes by 5%, 10%, and respectively 20%. For assets generating immediate liquidity (short-term deposits and current accounts in RON and EURO), the liquidation of deposits is considered to be at the initial value without the interest calculation clause, and the estimated liquidation value for deposits and current accounts in EURO is adjusted for foreign exchange risk.

Financial instruments providing immediate and reserve liquidity can cover an atypical liquidity requirement of at least RON 358mni for the next 30 days.

In the LST for liabilities, 4 scenarios were tested: (i) increased liquidity requirement on the debt side by distributing the entire profit obtained until Q3; (ii) a 25% increase in current liabilities compared to their annual average over the last 12 months; (iii) the highest amount paid in dividends or for share buyback programs (including program operating costs) in the last 5 years (2018-2023); (iv) a hypothetical share buyback situation representing a maximum of 10% of subscribed share capital requested by shareholders. Assets generating immediate liquidity can cover the increased liquidity requirement without liquidating other assets.

The limits set for the liquidity coverage ratio (LCR) indicator, after applying the shocks analysed in the combined LST scenarios for assets and liabilities, may be exceeded in the pessimistic scenario of simulated liquidity requirement growth in scenario 1 and 4 (LST for liabilities) concurrently with the sale of financial instruments from the category of highly liquid assets for which deferred tax on profits is paid, simulated by LST for assets, to obtain immediate liquidity.

Maintaining prudent liquidity management by ensuring a liquidity buffer that allows for the smooth conduct of current activities is a specific objective of the liquidity risk management policy at Lion Capital.

Sustainability Risk

The Fund's Strategy on integrating sustainability risk into the investment decision-making process focuses on sustainable development objectives, with financial instruments from issuers for which there is exposure or intended investment being subject to sustainability testing based on ESG criteria.

By investing in companies that perform well in terms of ESG, the Fund will be able to benefit from long-term competitive advantages, reduced risks of decline, and enhanced reputation. Good corporate governance leads to higher long-term profits, lower expenses, and more innovation. It also reduces volatility by decreasing financial risks and financing costs. Companies adhering to sustainable development principles and social and environmental standards will be able to provide high-quality products and services, which in turn will enhance customer loyalty and employee motivation.

At present, Lion Capital does not consider the potential negative effects of investment decisions on sustainability factors, as described in EU Regulation 2088/2019, for the following reasons: (i) the requirements for financial market participants set out by SFDR and supplemented by the Taxonomy Regulation cover only environmental aspects and not social and labour aspects or governance issues; (ii) data and information regarding sustainable classified issuers or financial products are limited and inconsistent; (iii) the complexity of the requirements outlined in the published regulations and in the draft technical standards requires additional time to adapt sustainability risk analysis and reporting processes.

The Fund continuously analyses and evaluates portfolio issuers based on ESG criteria, depending on their available ESG scores and non-financial reports.

In October 2022, Sustainability Risk was introduced into the Overall Risk Profile, thus revising the relevant risk policies, and the Overall Risk Profile was supplemented with two items corresponding to sustainability risk: (i) risk related to the investment process, (ii) organizational level risk.

As non-financial reports have been published by companies in the Fund's portfolio, it has been possible to reassess ESG risk for these issuers.

The portfolio's ESG risk assessment model is still in testing phase, non-financial reports are annual, and out of a total of 20 issuers (stocks and fund units) with a weight of over 1% of the Fund's total assets, only eight are required to prepare non-financial reports.

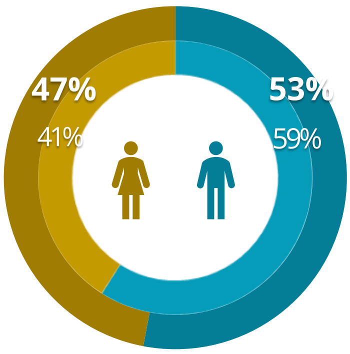
The ESG risk score of the equity portfolio indicates a low risk. Since the 2Q of 2023, the quarterly risk reports presented to the Board of Directors and directors have included the ESG risk matrix.

The qualitative assessment of organizational-level sustainability risk was based on the analysis of the impact of asset management activities on the environment and the measures taken by the Company to manage social, diversity, and sustainable governance issues. Thus, the risk is assessed as low.

Human resources

Lion Capital's personnel, as of December 31, 2023, consists of 32 persons with an employment contract (47% women, 53% men), of which 21 at headquarters in Arad and 1 at Bucharest branch.

Gender distribution of Lion Capital personnel



the percentages in the graph represent the weight of each category on December 31, 2023 (the outer ring), respectively December 31, 2022 (the inner ring)

To achieve the business objectives, Lion Capital's personnel comprises specialists with diverse qualifications in the investment field, as well as employees providing support activities. The distribution of employees across departments is essential for ensuring the efficient functioning of the entire organization, and it is balanced in terms of gender, age, and level of education. Each department has its own responsibilities and objectives, and the balance in terms of gender, age, and level of education ensures diversity of perspectives and approaches in addressing issues and making decisions. Team members are well-prepared and have the necessary experience to carry out their activities efficiently, while also adhering to all requirements imposed by specific regulations.

Health and Safety at Work: Lion Capital places special emphasis on the safety and security of its employees, ensuring they work in a safe environment. This includes implementing and strictly adhering to workplace health and safety measures, as well as providing adequate resources and training to prevent accidents and incidents, with designated employees responsible for this area. These employees are trained and regularly instructed to enhance their skills in identifying workplace hazards and assessing risks related to the work system, including equipment, work environment, and tasks. Through these measures, Lion Capital demonstrates its commitment to the well-being and protection of each team member, boasting a track record of no workplace accidents.

Lion Capital recognizes the importance of employees’ health for the organization's performance and success. Understanding that a healthy work-life balance can positively influence employees’ motivation and efficiency is a fundamental aspect of its human resources management strategy. Therefore, Lion Capital emphasizes a healthy lifestyle and provides preventive medical assistance to employees as an additional service to the public healthcare system.

By promoting a healthy lifestyle and offering preventive medical assistance, the company not only demonstrates concern for its employees' well-being but also invests in improving their performance. Employees in good health are more likely to be motivated, productive, and engaged in their work.

Providing preventive medical services as an additional benefit to the public healthcare system not only shows the organization's commitment to its employees' health but also encourages a culture of prevention and self-care among staff. Moreover, reducing absenteeism due to health issues and improving employees' quality of life are just two of the clear advantages of investing in employee health.

Promoting employee health not only improves their quality of life but also contributes to the overall efficiency and performance of the organization. Through this approach, Lion Capital positions itself as an employer concerned about its team's well-being and success, while also strengthening its organizational culture and reputation in the community.

Professional Development: To achieve superior performance, Lion Capital pays special attention to the professional training and development of its employees, tailored to the specific nature of their activities, closely correlated with legislative changes in the investment funds sector. In this regard, tailored professional development programs are implemented to meet internal needs and legislative developments in the investment funds sector. These programs include training to enhance the skills of staff in key areas, in accordance with the regulations imposed by the Financial Supervisory Authority regarding employees’ continuous professional training. In 2023, employees, board members, and executive directors cumulatively completed 1,028 hours of training, with 78% of the total number participating in at least one form of professional training, such as seminars, conferences, or other forms of continuous training.

Employment relationships within the company are regulated through individual contracts and the collective labour agreement. In 2023, the collective labour agreement registered with the ITM Arad under number 2019/17.08.2022 was in force.

The employees of the company are represented in the negotiation of the collective labour agreement by representatives elected in accordance with the law, without being organized in a trade union. There were no conflictual elements recorded in the relationships between management and employees.

Individual Performance Evaluation of Employees: An essential process for every organization, the evaluation of individual employee performance is conducted annually, playing a crucial role in establishing and ensuring fair compensation for employees’ contributions and facilitating continuous professional development. The primary purpose of individual performance evaluation is to identify strengths and areas needing improvement in each employee's performance.

Through individual evaluation, organizations can provide specific and constructive feedback to employees, thereby contributing to the enhancement of their skills and abilities. Identifying strengths allows for recognition and leveraging of employees' significant contributions to the organization's success, while identifying areas for improvement provides opportunities for development and professional growth. Individual performance evaluation contributes to optimizing organizational activities by identifying practices and processes that work effectively and those that could be improved or reevaluated. This careful analysis of individual performance helps align organizational goals and expectations with each employee's contribution, thereby enhancing the efficiency and productivity of the entire team.

Individual performance evaluation brings multiple benefits to both employees and the organization. By providing clear and objective feedback, identifying development opportunities, and optimizing activities, this process contributes to creating a performance-oriented organizational culture and continuous growth.

Diversity Policy: The healthy principles of diversity and equal opportunities applied by Lion Capital represent a fundamental element in its long-term growth and success. By promoting a culture based on mutual respect, collaboration, and excellence, the organization is committed to providing all employees with equal opportunities for development and performance, regardless of factors such as gender, ethnicity, or age. This approach meets the requirements of ESG (Environmental, Social, and Governance), with a focus on the social component. Thus, by prioritizing the evaluation of each candidate’s skills, competencies, and experience, regardless of race, skin colour, gender, origin, or sexual orientation, Lion Capital ensures that the value of each employee is recognized and appreciated. This approach not only reflects a strong business ethic but also demonstrates the organization's commitment to fairness and social inclusion principles.

In its approach on human resource management, Lion Capital places significant emphasis on promoting diversity and equal opportunities, thereby creating an inclusive work environment free from discrimination or bias. The human resources policy focuses on providing opportunities for professional and personal development for employees in a challenging context that encourages respect for the fundamental principles of diversity, non-discrimination, and equal opportunities.

Lion Capital acknowledges that leveraging diversity brings significant benefits to the organization, including a broader range of perspectives and abilities, increased innovation, and improved interpersonal relationships. Thus, by promoting an inclusive and equitable work environment, the company aims to create conditions for each employee to reach their maximum potential.

By adopting an ethical and progressive diversity policy, Lion Capital not only promotes a healthy and inclusive work environment but also fosters a culture of diversity that fuels innovation and creativity. The diversity and variety of perspectives brought by employees with different backgrounds are essential for the adaptability and competitiveness of an organization in an ever-changing business environment.

Lion Capital's application of ethical principles in diversity not only encourages employees to develop their individual skills and qualities but also transforms these differences into significant added value for the organization. By respecting and promoting diversity, Lion Capital strengthens its reputation as a responsible and progressive employer, and its results in terms of productivity and performance reflect its commitment to these principles.

Tangible Assets of the Company

Lion Capital owns the premises for the conduct of operational and administrative activities of the company located in Arad (headquarters). The company also owns real-estate properties in the cities of Bucharest and Cluj-Napoca (following the closing-down of company’s branch-office in Cluj-Napoca in 2015). Moreover, following the withdrawal of the contribution in kind to the share capital of the company Azuga Turism, Lion Capital owns a land located in the town of Bușteni. The above-mentioned buildings (except for the headquarters located in Arad, included in the tangible assets) are accounted pursuant to IFRS as investment property at fair value, totalling RON 14,272,127 as of December 31, 2023.

As of December 31, 2023, the net book value (accounting value) of tangible assets in the construction category is of RON 2,530,318. The company carried out the revaluation of tangible assets on December 31, 2019, in view of harmonizing the accounting and the utility values of the tangible assets owned.

The company has no issues concerning the ownership of its tangible assets.

Litigations

As documented in the Legal Department records as of December 31, 2023, the Company was involved in 50 litigations pending before the Court. The company had locus standi (active procedural capacity) in 41 litigations, passive procedural capacity in eight litigations and intervener capacity in one litigation.

In most of the disputes in which the Company is the plaintiff, the object of the disputes is the annulment/declaration of nullity of some decisions of the general meetings of the shareholders of the companies in the portfolio or the insolvency procedure of some companies in the portfolio.

Company's management will continue to make all the efforts to protect the legitimate interests of Lion Capital and its shareholders in all such litigations, in accordance with the law.

Outlook for 2024

The year 2024 appears to be the second consecutive year registering GDP growth below potential, alongside a stagnation of twin deficits, which remain primary concerns for both markets and rating agencies assessing the country's economic outlook. In this regard, the ratings assigned by rating agencies are Baa3 from Moody's, BBB- from S&P and Fitch, with a stable outlook.

The local and European elections scheduled for June 9th are likely to consolidate the perspective of continuity for the current coalition both during and post-election period.

Private consumption is supported by robust growth in real incomes and household savings accumulated in previous periods and is expected to be the main driver of growth in 2024, as public investments may slow down after the elections.

Core inflation is estimated to remain at a higher level over the next two years but on a downward trajectory, which, along with a solid labour market and strong growth in real incomes, should delay the dynamics of interest rate cuts by the National Bank of Romania compared to other CEE countries.

The Governor of the National Bank of Romania stated after the monetary policy meeting in February that the BNR Council discussed a possible schedule for interest rate cuts. Thus, it was emphasized that the central bank is prepared to reduce the monetary policy interest rate after at least two months in which macroeconomic indicators will show an irreversible downward trend in inflation, following the inflationary surge in January 2024. In this regard, it was stated that the first decision to ease monetary policy could be in May.

Exchange rate stability is likely to be maintained in 2024, with a slight depreciation trend in the medium and long term.

Economic growth forecasts for Romania, compiled by the European Commission in February 2024, are 2.9% for 2024 and 3.2% for 2025, while inflation is expected to reach 5.8% by the end of 2024 and 3.6% by 2025. Given the military conflicts in Ukraine and the Gaza Strip, these figures are likely to be adjusted throughout the current year depending on the evolution of geopolitical risks.

In the financial markets sphere, risk perception has intensified following the outbreak of the two conflicts, with periodic volatility in stock markets, commodities, precious metals, and energy markets. However, markets already incorporate positive economic expectations into issuer quotes, generating significant stock market gains, with many listed companies and stock indices reaching historical highs.

Regarding the Bucharest Stock Exchange, it is expected that the Central Counterparty to become operational during the current year, allowing the launch of derivative products that should make a substantial contribution to the development of the local market and stock market liquidity.

In this economic climate, with an election year ahead that could bring radical changes worldwide, with geostrategic risks, and economies still quite fragile, we are in a volatile period where economic growth is no longer generalized, and the fundamentals of investment decisions need to be reviewed more frequently.

Sources of information for 2004 outlook:
European Commission - https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/romania/economic-forecast-romania_en • National Institute of Statistics – https://insse.ro/cms • National Commission for Strategy and Prognosis- https://cnp.ro/ • Bucharest Stock Exchange – www.bvb.ro • National Bank of Romania – www.bnr.ro • Bloomberg Platform – www.bloomberg.com • tradingeconomics.com • www.reuters.com • www.marketwatch.com

2. The Shares Issued by Lion Capital

CHARACTERISTICS OF SHARES ISSUED BY LION CAPITAL

Total number of shares issued (December 31, 2023)	**507,510,056**
Outstanding shares (December 31, 2023)	**506,520,056**
Nominal Value	**RON 0.1000 / share**
Type of Shares	**common, ordinary, registered, dematerialized, indivisible**
Trading Market	**Regulated spot market of Bucharest Stock Exchange (BVB or BSE),** Premium category, listed since November 1, 1999
Trading Venue (MIC)	**XBSE**
Market Symbol on Bucharest Stock Exchange	**LION** (before May 15, symbol SIF1)
ISIN Code	**ROSIFAACNOR2**
International Identifier	**FIGI ID: BBG000BMN2P1**
Indices including LION shares	**BVB Indices: BET-FI • BET-XT • BET-XT-TR • BET-BK • BET-XT-TRN**

Shares issued by the Company grant all shareholders equal rights.

Since its establishment, the Company has not issued bonds or other debt instruments.

The shares issued by the Company are freely traded on the regulated market of the Bucharest Stock Exchange (BVR / BSE), according to the rules established by the market operator, any person could acquire shares issued by the Company.

Romanian legislation provides certain restrictions on the acquisition of shares issued by the Company, as follows:

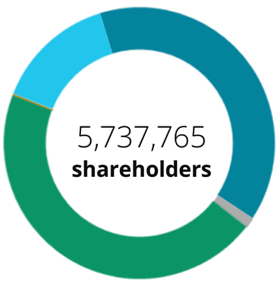
- The company is authorized as an alternative investment funds manager (AIFM), being affected by the provisions of Regulation no. 3/2016 on the applicable criteria and the procedure for the prudential assessment of acquisitions and increase of shareholdings held in entities regulated by the Financial Supervisory Authority, applicable to potential acquirers and significant shareholders within the alternative investment funds managers.
- According to the Regulation, the acquisition of qualified participations in the company is subject to the approval of the Financial Supervisory Authority. For the purposes of the regulations, qualified participation means a direct or indirect holding of voting rights or capital of the Company, which represents at least 10% of them or which allows the exercise of a significant influence over the management of the Company.
- For the purposes of the Regulation, a potential acquirer is considered to have a significant influence when his holdings, although below the 10% threshold, allow it to exercise significant influence over the management of the Company, such as having a representative in the board of directors. Holdings of less than 10% are subject to approval requirements, from case to case, depending on the ownership structure of the regulated entity and specific involvement of the acquirer in its management.
- The Company's shares are listed on the regulated market on the Bucharest Stock Exchange and are applicable the provisions of Law no. 24/2017 on issuers of financial instruments and market operations in the matter of the obligation to carry out a mandatory public takeover bid, in case of reaching the threshold of 33% of the voting rights.

On January 4, 2023, the Company received notifications according to art. 71 par. (1) of Law 24/2017, on exceeding the holding threshold of 5% of the total voting rights within Lion Capital by the shareholder SIF Muntenia S.A. (5.0734%) and the shareholder Opus – Chartered Issuances S.A (5.07717%). The company informed the shareholders about this event in accordance with the legal provisions, the current report being available on the website of the company and BVB from January 5, 2023.

As of December 31, 2023, Lion Capital has 5,737,765 shareholders, according to data reported by Depozitarul Central S.A. Bucharest, the company that keeps the shareholders' register. Lion Capital holds 990,000 treasury shares, acquired during the public tender offer conducted from February 16 to March 1, 2023, under the buyback programs approved by the resolutions of the General Shareholders' Meeting no. 3 of October 11, 2021, and no. 5 of April 28, 2022.

SHAREHOLDERS' STRUCTURE

as per holdings as of December 31, 2023



39.01%
Romanian individuals
(5,735,495 shareholders)

1.27%
non-resident individuals
(2,143 shareholders)

45.23%
Romanian legal entities
(108 shareholders)

14.29%
non-resident legal entities
(18 shareholders)

0.20%
Lion Capital
(0.99m treasury shares)

Dividend Policy

In accordance with the dividend policy declared and published in the Fund's operating documents, Lion Capital aims to maintain a balance between shareholder remuneration through dividends and the need for funding new investments from retained earnings. The strategy of maintaining this balance seeks to enhance long-term investment attractiveness for LION stock while preserving investment potential, ensuring sustainable long-term profitability for the benefit of creating shareholder value.

The dividend distribution rate from net profit and the dividend per share value are approved by the General Shareholders' Meeting (GSM) and consider the sustainability of the measure, the economic context, and current market yields.

The method of remunerating Lion Capital shareholders is applied for their benefit through the dividend distribution policy, as well as through the decision to reinvest profits or share buyback, with the stated aim of increasing share value. Lion Capital shareholder remuneration can be carried out transparently, fairly, and financially efficiently and fiscally, following any of the decided options: cash dividend distribution, profit reinvestment in hopes of increasing share value by at least the amount of the undistributed dividend, or share buyback programs approved by the GSM.

The Ordinary General Meeting of Shareholders held on April 27, 2023, approved the allocation of the net profit for the financial year 2022, amounting to RON 95,467,148i, to Other reserves, as own funding sources, without distributing dividends.

As of the date of this report, the dividends for the financial year 2021, approved by the resolution of the OGM no. 4 of April 28, 2022, are currently being paid out. Information regarding dividend payments is available on the company's website, www.lion-capital.ro, under the section *Investor Relations • LION Stock • Resolutions of the General Meetings of Shareholders on the Profit Allocation*.

DIVIDEND DISTRIBUTION FROM THE NET PROFIT OF THE COMPANY FOR THE LAST FOUR FINANCIAL YEARS

Financial Year for Which the Distribution Was Made	2019*	2020*	2021	2022*
Net Profit (RONmn)	159.49	92.12	387	95.47
Total Number of Shares	517.460.724	515.422.363	515.422.363	507.510.056
Gross DPS (RON)	-	-	0.06	-
Gross Dividend Payable (RONmn)			30.45	
Net Dividend Payable (RONmn)			29.24	
Paid Dividends **			66.19%	

** 2019, 2020 and 2022 with no dividend distribution as per GMS decisions of April 27, 2020, April 26, 2021, and April 27, 2023*
*** percentage of amounts paid as of December 31, 2023, of total net dividend payable*

LION (SIF1) STOCK ON BVB/BSE	2020	2021	2022	2023
Price (RON, closing price)				
Low	1.8450	2.1700	2.1000	2.3400
High	2.9900	2.8300	2.5600	2.6800
Year end	2.2000	2.5400	2.4300	2.5900
Net Profit per Share (RON)	0.179	0.754	0.1881	0.8222
PER	12.29	3.36	12.92	3.15
NAV/S (RON)	5.6051	6.7170	6.3817	8.0847
Dividend (RON/share)	-	0.06	-	*
Market Capitalization** (RONmn)	1,133.93	1,309.17	1.233.25	1.314.45

** as per the decision of GMS of April 2024*
*** calculated using the closing price of the last trading session of the year for all issued shares*

Bucharest Stock Exchange (BVB) indices including LION (SIF1) **stock:**
BET-FI • BET-BK • BET-XT • BET-XT-TR • BET-XT-TRN

BET-FI (BUCHAREST EXCHANGE TRADING – INVESTMENT FUNDS) is the first sectoral index of the BVB and reflects the overall trend of prices of financial investment funds (formerly SIFs and Fondul Proprietatea) traded on the regulated market of the BVB. The variation of the BET-FI index in 2023: +16.27%. Weight of LION in BET-FI: 18.23% (December 2023).

BET-BK (BUCHAREST EXCHANGE TRADING BENCHMARK INDEX) is a price index weighted by the free-float capitalization of the most liquid companies listed on the regulated market of the BVB, which can be used as a benchmark by fund managers, as well as other institutional investors, with the calculation methodology reflecting legal requirements and investment limits of the funds. The variation of the BET-BK index in 2023: +27.06%. Weight of LION in BET-BK: 1.85% (December 2023).

BET-XT (BUCHAREST EXCHANGE TRADING EXTENDED INDEX) is a blue-chip index and reflects the evolution of prices of the most liquid 25 companies traded on the regulated market segment, including SIFs, with the maximum weight of a symbol in the index being 15%. The variation of the BET-XT index in 2023: +26.28%. Weight of LION in BET-XT: 2.05% (December 2023).

BET-XT-TR (BUCHAREST EXCHANGE TRADING EXTENDED TOTAL RETURN) is the total return version of the BET-XT index, reflecting both the evolution of prices of the component companies and the dividends offered by them. The variation of the BET-XT-TR index in 2023: +33.39%. Weight of LION in BET-XT-TR: 2.05% (December 2023).

BET-XT-TRN (BUCHAREST EXCHANGE TRADING EXTENDED NET TOTAL RETURN) was launched on October 11, 2021, and is the net total return version of the BET-XT index. The BET-XT-TRN index reflects both the evolution of prices of the component companies and the reinvestment of net dividends offered by them. The variation of the BET-XT-TRN index in 2023: +31.20%. Weight of LION in BET-XT-TRN: 2.05% (December 2023).

Until May 10, 2023, the stock symbol for the shares issued by the Company was SIF1, and starting from the session of May 15, 2023, following the change of the company's name, Lion Capital S.A. shares are traded under the stock symbol LION.

The liquidity of Lion Capital stock decreased in the last quarter of 2023, and for the whole year, it was much lower compared to 2022. In 2023, a total of 10,869,868 shares were traded, representing 2.14% of the total issued shares, with the total value of the traded shares being of RON 26,616,704 (vs. RON 44,630,583 in 2022). On the DEAL and POF markets, transactions were conducted with 6,850,275 shares, with a total value of RON 17,371,888.

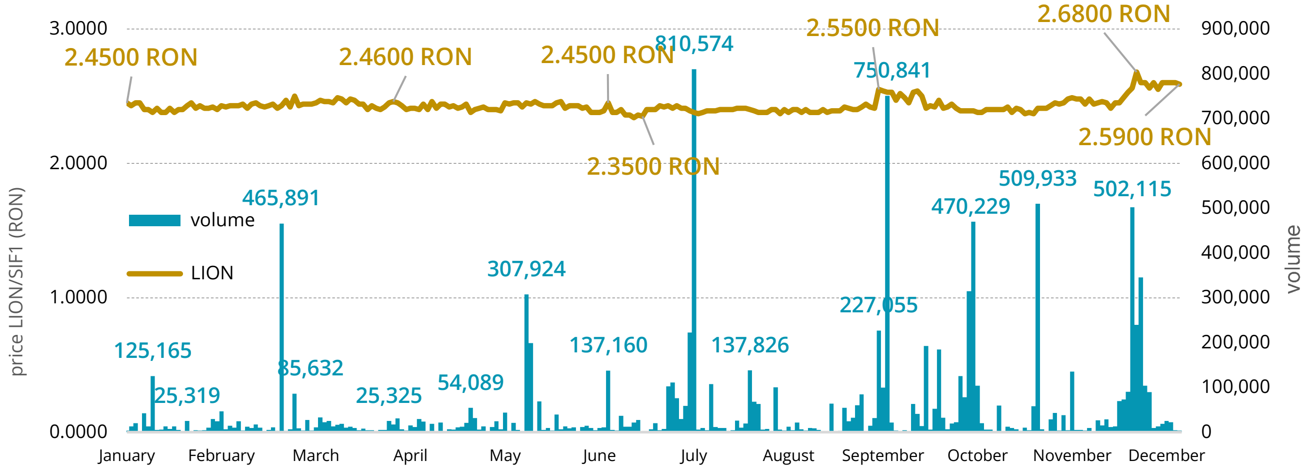
Out of the 246 trading days in 2023, 95 days had positive variations (maximum +5.81% on September 18) and 91 days had negative variations (minimum -3.60% on October 3).

The highest closing price at which the LION stock was traded in 2023 was of RON 2.6800 per share, in the session of December 13, and the lowest closing price was of RON 2.3400 per share, in the session of June 28, with the trading range between the highest and the lowest of the period being 15%. The weighted average price for the period was of RON 2.4487 per share.

LION stock price rose +5.71% YtD, while the BET-BK index increased by +27.06% and the BET-FI index by 16.27% in 2023.

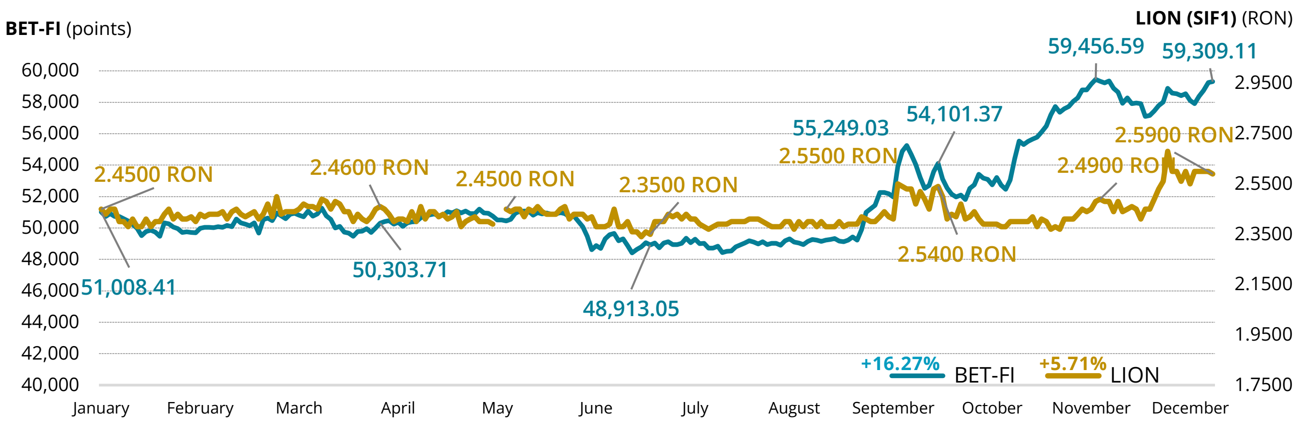
At the end of 2023, the market capitalization for LION stock was of RON 1,314.451mn (for all issued shares) and calculated for the outstanding shares it was of RON 1,311.89m (calculated using the closing price from the last trading session of the year).

LION (SIF1) PRICE AND VOLUME IN 2023



highlighted values were recorded at the closing of trading day

LION (SIF1) vs. **BET-FI** PERFORMANCE IN 2023



highlighted values were recorded at the closing of trading day

3. Corporate Governance

Corporate governance stands for a set of principles and mechanisms through which a company's management exercises their leadership and control prerogatives, aiming to achieve the desired objectives by implementing the adopted strategy, always maintaining proper conduct towards shareholders, investors, management, employees, partners, and authorities.

In accordance with the best practices of corporate governance, Lion Capital's management is conducted in an atmosphere of openness, based on honest dialogue between the executive management and the board of directors, as well as within each of these bodies. The administrators (viz. members of the Board), (executive) directors, and employees of the Fund have assumed the duty to demonstrate diligence, responsibility, and loyalty to the company, making decisions in its interest and for its value growth, considering the legitimate interests of all stakeholders.

Lion Capital attaches major importance to responsible and transparent management, aiming for accurate information and maintaining the trust of stakeholders. Thus, the Fund applies the principles defined in the Corporate Governance Code of the Bucharest Stock Exchange.

To maintain its competitiveness in an extremely dynamic environment, Lion Capital develops and adapts its corporate governance practices to conform to new requirements and capitalize on new opportunities. Lion Capital's Corporate Governance Regulation can be consulted on the Company's website, **www.lion-capital.ro** • Corporate Governance • Reference Documents.

In accordance with the Corporate Governance Code of the Bucharest Stock Exchange (“the Code”) applicable, Lion Capital annually assesses the degree of compliance with the provisions of the Code.

The level of implementation as of December 31, 2023, of the principles and recommendations from the Code is presented in Annex 3 to this report, a document that will be published on the Company's website, **www.lion-capital.ro**.

Through Regulation No. 2/2016, with subsequent amendments and completions, the Financial Supervisory Authority (ASF) regulated the unified normative framework for the application of corporate governance principles to entities authorized, regulated, and supervised by ASF, a regulation that applies starting from January 1, 2017. Lion Capital’s statement on the application of corporate governance principles in 2023 is presented in Annex 4 to this report.

The General Meeting of Shareholders (GMS)

The General Meeting of Shareholders (GMS) is the supreme governing body of Lion Capital.

The General Meeting of Shareholders can be Ordinary or Extraordinary. In accordance with the provisions of the Company's Articles of Association and the applicable legislation, the General Meetings of Shareholders have a series of main competencies. The Articles of Association of the Company detail the competencies of the GMS, and the document is available on the company's website, **www.lion-capital.ro**, in the section dedicated to corporate governance.

The Ordinary General Meeting is convened at least once a year within four months of the end of the financial year. The Extraordinary General Meeting will be convened whenever necessary.

Decisions of the general assembly can be taken by open vote or secret ballot. Secret ballot is mandatory in the following situations: the election of the Board of Directors, appointment of the financial auditor, revocation of the Board of Directors, revocation of the financial auditor, and for decisions regarding the liability of the directors (viz. members of the Board of Directors). Decisions taken by the GMS within the limits of the law and the company's Articles of Association are binding even for shareholders who did not attend the meeting or voted against.

The General Meeting of Shareholders is chaired by the Chairman of the Board of Directors, and in his absence, by the Vice-Chairman. The proceedings of the meetings are recorded by the secretariat elected by the GMS, and the minutes of the GMS are entered into a special register.

Details regarding the procedure for conducting the GMS are presented in the Convening Notice of each GMS meeting, on the Company's website in the section *Investor Relations - General Meetings of Shareholders*. Additionally, the section contains information regarding GMS and the adopted resolutions.

Management Structure

In accordance with the provisions of the Articles of Association, Lion Capital is governed under a unitary system, which is able to ensure efficient operation of the Company, in line with the objectives of good corporate governance and protection of the legitimate interests of its shareholders.

Board of Directors

Lion Capital is managed by a Board of Directors composed of 5 members, elected by the general meeting of shareholders for an office of four years, with the possibility of re-election.

The Board of Directors has decision-making powers regarding the administration of the Company between the general meetings of shareholders, except for decisions exclusively provided for the general meeting by law or the Articles of Association. The responsibilities of the Board of Directors are detailed in the Corporate Governance Regulation, a document published on the company's website.

The Board of Directors elects a Chairman and a Vice-Chairman from among its members. According to the Articles of Association, the president also holds the position of Chief Executive Officer (CEO) of the Company.

Members of the Board of Directors must cumulatively meet the general conditions provided for in the Articles of Association, Law no. 31/1990 regarding trading companies, supplemented by those established by Law no. 74/2015, Law no. 24/2017, and the regulations of the Financial Supervisory Authority (ASF). Members of the Board of Directors are authorized in this capacity by ASF after being elected by the general meeting of shareholders.

The Board of Directors may establish advisory committees composed of its members, tasked with conducting investigations and making recommendations to the board.

The current term of office for the members of the Board of Directors is of four years, starting from April 25, 2021, until April 25, 2025.

As of December 31, 2023, the structure of the Board of Directors and the professional qualifications of its members are as follows:

Bogdan-Alexandru DRĂGOI, Chairman of the Board of Directors
Date of first election: March 3, 2015
Graduate of Tufts University, Fletcher, Boston, Massachusetts, USA, with specializations in *International Relations* and *Economics*

Radu-Răzvan STRĂUȚ, Vice-Chairman of the Board of Directors
Date of first election: April 20, 2017
Graduate of the Faculty of Law of "Babeș-Bolyai" University, Cluj-Napoca, Romania

Sorin MARICA, independent, non-executive administrator, member of the Audit Committee, Chairman of Nomination and Remuneration Committee
Date of first election: April 20, 2017
Graduate of the Faculty of Finance, Banks and Stock Exchanges within the Academy of Economic Studies, Bucharest

Marcel Heinz PFISTER, independent, non-executive administrator, Chairman of the Audit Committee, Member of Nomination and Remuneration Committee;
Date of first election: April 20, 2017
Bachelor of Economics (ODEC) at the College of Higher Vocational Education and Training in Business Administration, Zurich, Switzerland

Ionel-Marian CIUCIOI, non-executive administrator, Member of the Audit Committee, Member of Nomination and Remuneration
Date of first election: April 26, 2018 (after previously, on July 14, 2015, he was appointed provisional administrator by the Board of Directors - ASF approval on September 16, 2015)

Graduate of the Faculty of International Economic Relations within the Bucharest Academy of Economic Studies

The resumes of the members of the Board of Directors, including information on their professional career and current positions held in other companies, are available on the company's website, www.lion-capital.ro, in the *About Lion Capital • Leadership* section.

The Board of Directors is supported in its activity by a Secretary of the Board, who has the necessary experience and professional training, participates in the meetings of the Board and is responsible for ensuring the efficient functioning of the Board and the Committees operating within it. Secretary's role consists in supporting the Chairman and the other members of the Board of Directors, both at group level and individually, and in ensuring compliance by the Board of Directors with internal regulations, ensuring compliance with corporate governance regulations, as well as with laws and regulations relevant to the Company's activity. The secretary is also responsible for ensuring effective communication between the Board and the Audit Committee, respectively the Nomination and Remuneration Committee, between the directors and the Board. In 2023, the position of secretary of the board of directors was held by Mr. Daniel Gavrilă.

Activity of the Board of Directors: In 2023, the Board of Directors of Lion Capital met 31 times in accordance with the statutory provisions.

The convening of the members of the Board of Directors was carried out according to the Procedure regarding the convening and holding of meetings of the Board of Directors of Lion Capital.

The presence of the members of the Board of Directors at the meetings convened during 2023 was in accordance with the legal provisions.

The meetings of the Board of Directors were chaired by Mr. Bogdan-Alexandru Drăgoi, the Chairman of the Board of Directors and, in his absence, by Mr. Radu-Răzvan Străuț, Vice-Chairman of the Board of Directors.

As a result of the meetings of the Board of Directors, a number of 103 management decisions regarding the company's current activity were issued. All decisions were taken with the “yes” vote of the majority of those present.

Of the 103 Decisions of the Board of Directors issued during the analysed period: (i) 44 were decisions with a well-defined objective of the necessity of fulfilment; (ii) 59 were decisions approving procedures, mandatory reports and activity reports, of which: 16 decisions approving internal regulations and some work procedures; 43 decisions for the approval of the mandatory annual, half-yearly and quarterly periodic reports sent to the ASF, BVB, MFP and for the approval of the activity reports of the administrators, departments, directions and compartments.

From the analysis of the status of implementation of the 103 resolutions issued by the Board of Directors, it results that they were all fully executed.

Advisory Committees Within the Board of Directors

The Audit Committee

The Audit Committee assists the board of directors in fulfilling its responsibilities in the areas of financial reporting, internal control, and risk management, supporting the board in monitoring the credibility and integrity of the financial information provided by the Company, especially through reviewing the relevance and consistency of the accounting standards applied by it. The Audit Committee’s duties are detailed within the Company's Internal Regulations.

The Audit Committee is composed of at least three non-executive members of the Board of Directors. The chairman of the committee is an independent non-executive member. At least one member of the audit committee must have expertise in accounting or auditing.

In 2023, the Audit Committee had the following composition: Mr. Marcel PFISTER - Chairman of the committee, Mr. Sorin MARICA - member, and Mr. Ionel Marian CIUCIOI - member.

The members of the Audit Committee have the appropriate experience for their specific duties within this committee.

In 2023, the Audit Committee met 11 times. These meetings were dedicated to monitoring the financial reporting process, including the annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) approved by ASF Regulation no. 39/2015, and the consolidated financial statements; monitoring the condensed quarterly and half-yearly interim financial statements for 1H 2023; monitoring the condensed consolidated interim financial statements for 1H 2023; preparing the activity report of the Audit Committee for the year 2022; analysing and approving the assessment of the internal control system; analysing and approving the stress test for 2023; internal audit program, control and compliance department activities, risk management department activity plan for 2023; analysing and approving the remuneration report prepared by Lion Capital SA; analysing and approving the financial audit services contract with Deloitte Audit SRL for the period 2024 - 2025; selecting the internal auditor for a period of two years; analysing and approving the internal audit annual plan for the new contract; monitoring the internal auditor’s activity.

The report on the Audit Committee’s activity in 2022, accompanied by the Evaluation of the risk management and internal control system for 2022, was submitted to the Financial Supervisory Authority on June 29, 2023, complying with the regulated content, and filing deadline requirements.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) assists the board of directors in fulfilling its responsibilities regarding the nomination of candidates for leadership positions, their evaluation, and the formulation of proposals regarding remuneration. Additionally, NRC recommends to the Board of Directors the appointment or dismissal of key personnel and control staff within the Company, their remuneration levels, rights, and duties, and also participates in the development and revision of remuneration policies applicable at the Company level. The duties of NRC are detailed within the Company's Internal Regulations and are also presented in the Company's Corporate Governance Regulation, available for consultation on the website, www.lion-capital.ro, in the *Corporate Governance* section.

According to current regulations, the Nomination and Remuneration Committee consists of at least two members elected from among the non-executive directors, complying to the independence condition provided by trading company law. Membership in the Committee does not preclude members from participating in the activities of other committees within the board of directors. The Committee meets periodically, at least twice a year, as well as exceptionally, if necessary.

In 2023, the Nomination and Remuneration Committee had the following composition: Sorin MARICA - Chairman of the committee, Marcel PFISTER - member, and Ionel-Marian CIUCIOI - member.

During the year 2023, the Nomination and Remuneration Committee met five times, with these meetings dedicated to the following topics: analysis of compliance with remuneration policy and procedures; periodic assessment of the suitability of the members of the leadership structure and of the persons holding key positions; assessment of the independence of the members of the board of directors and verification of the number of mandates held by the members of the Board of Directors and directors in other companies; prior assessment of the person appointed as director before submitting for the approval of the Financial Supervisory Authority; assessment of the person proposed for the key position of internal auditor; analysis of the remuneration due to administrators and directors and the remuneration granted to the members of the advisory committees within the Board in order to submit proposals to the general meeting of shareholders; analysing and recommending the initiation of an share-based payment plan; verifying the fulfilment of the conditions for the transfer of shares within the share-based payment program approved in 2022; the evaluation of the performance of the executive management in the year 2023; analysing and recommending the granting of the variable component to employees and directors for achieving the objectives in 2023.

The Activity Report of the Nomination and Remuneration Committee for the year 2023 is presented in Annex 5 to this report.

Executive Management

The executive management of the Company is performed by (Executive) Directors appointed by the Board of Directors, in accordance with the provisions of the Company's Articles of Association and the applicable regulations in force, so that the everyday management of the Company is provided, at all times, by at least two persons.

The Directors must meet the conditions provided by the regulations issued by the Financial Supervisory Authority applicable to the Company and are authorized in this function by the Authority.

In accordance with the provisions of Law no. 31/1990, the Board of Directors delegated part of its powers, within the limits established by law, the Articles of Association, and the decisions of the Board of Directors, less the powers reserved by law and/or the Articles of Association to the general meeting of shareholders and the Board of Directors.

The directors' responsibilities and duties are established by the Board of Directors and are detailed in the Company's Internal Regulations and in the Corporate Governance Regulation, documents published on company's website.

The composition of the executive management as of December 31, 2023:

Bogdan-Alexandru DRĂGOI, Chief Executive Officer (since July 14, 2015)
Radu-Răzvan STRĂUȚ, Deputy-CEO (appointed by the Board on January 25, 2018, authorized by ASF on May 17, 2018)
Laurențiu RIVIȘ Director (appointed by the Board to the executive management of the company on November 27, 2015, receiving on February 27, 2016, the ASF approval as director of SIF Banat-Crișana), graduate of the Faculty of Law of the Western University "Vasile Goldiș" Arad, Romania.

The resumes of the executive directors, including information on their professional career and current positions held in other companies, are available on the company's website, www.lion-capital.ro, in the *About Lion Capital • Leadership* section.

Participation of administrators and executives in the share capital of Lion Capital

Name	Position	LION shares held as of December 31, 2023	
		No. of shares	% of share capital
Bogdan-Alexandru DRĂGOI	Chairman – CEO	2,147,633	0.4232%
Radu-Răzvan STRĂUȚ	Vice-Chairman – Depuy CEO	1,816,056	0.3578%
Sorin MARICA	Non-executive administrator	-	-
Marcel PFISTER	Non-executive administrator	48,309	0.0095%
Ionel-Marian CIUCIOI	Non-executive administrator	48,309	0.0095%
Laurențiu RIVIȘ	Director	55,848	0.0110%

From October 1, 2023, the position of Deputy General Director held by Mrs. Teodora Sferdian within the company ceased, by mutual agreement of the parties, under the delegation of powers contract concluded with the company. The termination of the mandate contract occurred following Mrs. Teodora Sferdian's request to step down from her position, based on strictly personal reasons.

In the meeting held on November 15, 2023, the Board of Directors of the company approved the delegation of management to Mr Florin-Daniel Gavrilă, as Director, in accordance with the provisions of Art. 143 of Law no. 31/1990, within the limits of the responsibilities and competencies provided by Lion Capital's Internal Regulations and the decision-making and signing authorities approved by the Board of Directors, as well as in accordance with the new Organizational Chart of the company, approved in the same meeting of the Board of Directors.

At the same time, the signing of a delegation of powers contract (mandate) with Mr. Florin-Daniel Gavrilă was approved, for a term of four years, starting from November 15, 2023, and valid until November 15, 2027. The specific duties of the new director's mandate will be exercised by Mr Florin-Daniel Gavrilă only after obtaining the approval decision issued by the Financial Supervisory Authority. By authorization no. 34/March 22, 2024, ASF approved Lion Capital's request to authorize the significant changes that formed the basis for the company's authorization, following the appointment of M. Florin-Daniel Gavrilă as Director.

According to the information held by the Company, there are no known agreements, understandings, or family ties between the respective person and another person due to which the respective person was appointed to this position.

In the past five years, members of the Board of Directors and executive management have not been involved in litigation or administrative procedures regarding their activities within Lion Capital.

Description of the Main Elements of the Internal Control Systems and Risk Management

Risk Management

Lion Capital has adopted and implements risk management policies to ensure appropriate management of risks. To achieve this, specific proactive procedures for risk identification, assessment, monitoring, and control are applied, aiming to provide robust assurance regarding the achievement of the company's objectives, a constant balance between risk and expected profit being pursued for the benefit of its shareholders.

At the company level, the Risk Management Office reports to the Board of Directors and is responsible for identifying, assessing, measuring, and reporting risks both at the organizational level and individually. Hierarchically and functionally, it operates independently of other departments and activities within the company.

Through Lion Capital's risk management system, the risk management function, policies, and procedures related to the management of significant and relevant risks for the investment strategy, measures, processes, and techniques related to risk measurement and management employed by the company for the portfolio under management are central.

Mrs. Adina Eleonora Hodăjeu holds the quality of Person responsible for risk management starting with March 9, 2018, no. in ASF Register: PFR13.2FARA / 020053. The performance of the risk management function is periodically reviewed by both internal and external audit functions.

The responsibility for managing the risks to which the company is exposed lies with personnel across all lines of business, not limited only to the Risk Management Office.

According to the Significant Risk Management Policy, the risk management strategy is based on risk management objectives and follows three parameters: risk appetite, risk profile, and risk tolerance.

The Lion Capital Board of Directors' strategy involves assuming a **medium-level risk appetite**. This level represents the risk the Fund accepts for new exposures, in addition to the risk from existing exposures in its portfolio.

The risk appetite statement is a formal articulation of the Company's willingness to accept risk. The Company's risk appetite is clearly linked to its overall business strategy and operational plan.

The objectives for 2023 of Risk Management Office aimed to identify risk-generating situations in Lion Capital's portfolio management activities and its associated secondary risks, as well as to evaluate risks while strictly adhering to specific regulatory requirements (both local and European directives and regulations) and adjusting work procedures to new regulations regarding AIFM/AIF activities.

The continuity plan for risk management activities for 2023 was approved by the Board of Directors in January 2023.

Risk Limits and Profile • At the Fund level, the Risk Management Policy is based on a system of limits used for monitoring and controlling significant risks. The qualitative and quantitative risk limits cover market risk, liquidity risk, credit and counterparty risk, operational risks, sustainability risks, and other types of risks, which are assessed through the risk profile.

Lion Capital does not currently use technical instruments for efficient portfolio management. However, the rules or prospectus do not exclude the possibility of using such techniques in the future. Their use must always comply with applicable legal requirements and must never lead to circumventing investment policy requirements and investment restrictions.

In the analysis of risks and their potential materialization, all significant holdings of the Fund have been structured according to relevant portfolios of financial instruments. For risks associated with each class of instruments, the identification, assessment, and monitoring rules described in approved specific risk procedures are applied.

As a result of the risk monitoring process to which Lion Capital is exposed as a self-managed AIFRI, based on the information presented in periodic risk reports and the results of stress tests conducted between November 2018 and June 2023, **the general risk profile remains at a MEDIUM level** for a medium risk appetite.

The validity of risk limits associated with the portfolio of financial instruments and their management activities, concerning investment risk and operational risk, is up to a maximum of 12 months until the next annual evaluation if no need for modification is found during periodic monitoring.

Risk tolerance represents the company’s capacity to accept or absorb risks considering financial strength, nature, scale, complexity, liquidity, and resources required for adequate risk management. Risk tolerance is the typical measure of risk used to monitor exposure compared to the declared risk appetite. The declared quantitative and qualitative tolerance limits consider relevant risk categories and types and the relationships between identified risks.

Risk tolerance is quantified in relation to the value of managed assets. The company’s risk tolerance levels for investment risk and operational risk, corresponding to a medium risk appetite and a medium risk profile, were assumed through the revised Risk Management Policy approved by the Board of Directors. Investment risk is quantified by summing up the values of all calculated risks at the portfolio level of financial instruments on the established reference date.

Compliance Verification Function

Lion Capital establishes and maintains a dedicated compliance verification function that operates independently of other activities. The Compliance Office reports to the Board of Directors and has the following main responsibilities:

- to regularly monitor and evaluate the effectiveness and proper implementation of established control measures and procedures, as well as actions taken to address any instances of non-compliance with the company's obligations;
- to provide advice and assistance to relevant individuals responsible for carrying out services and activities to ensure compliance with the company's requirements as per legal provisions and regulations of the Financial Supervisory Authority.

The Compliance Office's activities are carried out in accordance with the provisions of the 2023 Investigation and Control Plan approved by the company's Board of Directors, ASF Regulations no. 10/2015, no. 9/2014, EU Regulation 231/2013, operational procedures, and internal regulations.

Activities undertaken include: monitoring compliance with current regulations specific to the capital market and/or internal procedures; ensuring the company and its personnel are informed about the legal framework of the capital market; reviewing documents submitted by Lion Capital SA to the Financial Supervisory Authority for obtaining authorizations as per applicable regulations; reviewing reports submitted to market entities and authorities; reviewing the company's informational and advertising materials; other activities related to compliance by the company and its personnel with current legislation specific to the capital market and internal regulations.

During the course of compliance monitoring and verification activities in 2023, the following areas were examined:

- trading of financial instruments;
- asset valuation for net asset calculation;
- compliance with legal transparency and reporting requirements;
- calculation and payment of the monthly 0.0078% share of net assets to the ASF;
- prevention and fight against money laundering and terrorism financing through the capital market.
- compliance with international sanctions regimes;
- compliance with legal provisions and internal procedures regarding conflict of interest avoidance and/or management, insider trading, and personal transactions;
- remuneration policy;
- verifications related to the risk control system;
- assessment and management of operational risks generated by the IT systems used.

Following compliance verification actions, it was found that activities subject to control comply with capital market legislation, regulations, and internal procedures.

Based on control activities, proposals and recommendations were made to improve activities and work procedures.

Petition Resolution. Shareholders can address Lion Capital with a petition if they have complaints about the company's activities performed under current legislation or the information provided by the company following their requests. The procedure for handling petitions submitted by shareholders is established by ASF Regulation no. 9/2015, and the required steps are published on the company's website. In accordance with regulatory provisions, a secure electronic petition register has been set up, where submitted petitions, the issues raised, and the resolution method are recorded. The petition register is managed by the Compliance Office representative.

Internal Audit

The internal audit activity is carried out by the Internal Audit Office, which reports to the Board of Directors. Reporting of the activity is directed to the Audit Committee and the Board of Directors.

The internal audit activity of Lion Capital is outsourced to the firm New Audit SRL from Arad.

The company's activities are subject to periodic internal audits, aimed at providing an independent assessment of its operations, controls, and management processes. These audits evaluate potential risks across various business segments (asset security, compliance with regulations and contracts, integrity of operational and financial information, etc.) and make recommendations for improving systems, controls, and procedures to ensure operational efficiency and effectiveness. Follow-up actions and results of corrective measures proposed are monitored.

Internal audit is conducted in the following forms: system management and internal control evaluation - *system audit*; evaluation of results regarding pursued objectives and examination of actual impact - *performance audit*; ensuring compliance of procedures and operations with legal standards - *compliance audit*.

The internal audit activity is conducted based on the annual audit plan developed in accordance with company's objectives. The internal audit plan and resources required for conducting the activity are approved by the Audit Committee and endorsed by the Board of Directors, with periodic coverage of all activities and operations undertaken by the company being ensured.

The internal audit activity maintains a multi-year plan that encompasses all activities and processes that can be audited within the company over a 2-year horizon. Internal audit missions are included in the plan based on the analysis of risks associated with auditable activities to prioritize audit missions.

Internal audit activities are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

Internal audit is an independent and objective activity that provides assurance to the company regarding the level of control over its operations and is conducted in accordance with procedures developed for this purpose. For each internal audit mission, a detailed program is prepared, outlining the scope, objectives, allocated resources, and duration.

The objectives of internal audit include supporting the company in identifying and evaluating significant risks to provide an independent assessment of risk management, control, and management processes and assisting the company in maintaining an efficient and effective control system.

The main activities and operations of the company subject to internal audit during 2023 include:

- securities trading, compliance with short-term investment policies and approved operating procedures;
- compliance with conflict of interest procedures, including conflicts of interest involving Lion Capital management members and certain categories of employees;
- compliance with financial and administrative activities-related working procedures, including inventorying assets. Compliance with procedures for acquisitions and contracts in which Lion Capital is a party.
- compliance with procedures for implementing legal provisions for preventing and combating money laundering and terrorism financing at Lion Capital.
- compliance with working procedures, internal regulations, and specific compliance department legislation.
- compliance with working procedures, internal regulations, and Lion Capital's significant risk management policy.

Non-audit activities performed include:

- preparation of the annual internal audit program for the upcoming period;
- annual reporting of internal audit activity;
- evaluation report of the internal control system in 2022;
- reporting to the ASF regarding the status of implementation of recommendations formulated by the internal auditor;
- other administrative activities.

The internal auditor reports to the Audit Committee and the Board of Directors of Lion Capital on the purpose of the audit activity, its results, findings, recommendations, and proposals. No significant situations requiring Board intervention were identified.

Internal audit appreciates that the activities and operations carried out by Lion Capital during 2023, which were subject to audit, comply with the company's policies, programs, and management, in accordance with legal provisions and internal regulations.

Other Matters of Corporate Governance

Observance of Shareholders' Rights

The conduct of General Meetings of Shareholders (GMS) and matters concerning the rights and obligations of shareholders are governed by Law no. 31/1990 on trading companies, by Law no. 24/2017 on issuers of financial instruments and market operations, as well as by other relevant legal regulations.

The shares issued by Lion Capital are common, ordinary, registered, dematerialized, indivisible, affording equal entitlements to shareholders.

Shareholders of Lion Capital may exercise all entitlements granted by law and by the Articles of Association, Law no. 31/1990, and capital market legislation.

Romanian law imposes certain limitations on the acquisition of shares issued by the Company, which are delineated in Chapter 2 – Shares issued by Lion Capital.

In accordance with the provisions of art. 272 par. (1) section a) and par. (6) of Law no. 126/2018 on financial instruments markets, the voting rights pertaining to holdings in a regulated entity (such as Lion Capital) are automatically suspended if the acquisition or, as applicable, the increase of a stake has occurred without meeting the criteria stipulated by the regulations issued by the Financial Supervisory Authority pertaining to procedural rules and prudential evaluation criteria of acquisitions in the respective regulated entity.

Lion Capital ensures equitable treatment to all shareholders, including minority and non-resident shareholders, in accordance with legal provisions and those outlined in the Company's Articles of Association.

General Meetings are convened by the Board of Directors with a minimum notice period of 30 days prior to the scheduled meeting date. General Meetings serve as a platform for the members of the Board of Directors and the company's directors to present to shareholders the outcomes achieved during their tenure based on the duties entrusted to them.

Lion Capital takes requisite measures to guarantee fair treatment to all its shareholders, furnishing them with pertinent and current information facilitating the exercise of their rights in an equitable manner. Shareholders are expected to exercise their rights in good faith and with due regard for the legitimate rights and interests of the Company and fellow shareholders.

Comprehensive details regarding the procedural aspects of general meetings of shareholders are provided in the Notice accompanying each meeting and in the informational materials published on the Company's website, within the *Investor Relations* section, subsection *General Shareholders' Meetings*.

Right to Vote • Lion Capital is committed to facilitating shareholders' participation in the general meetings of shareholders (GMS). Shareholders of Lion Capital can participate in GMS directly, through a representative based on special/general empowerment (proxy), or by voting by correspondence.

The Board of Directors approves procedures for the orderly and efficient organization and conduct of GMS, in accordance with applicable legal provisions and ASF regulations. Shareholders are provided with information and materials relating to the general meeting at the Company's headquarters and are posted on Lion Capital's website (www.lion-capital.ro), including the GMS notice, informative materials, documents for the discussion and approval in the GMS, participation and voting procedures, special proxy forms, and correspondence voting forms, as well as the resolutions adopted by GMS and the voting results for each topic on the agenda.

One or more shareholders, individually or collectively representing at least 5% of the Company's share capital, may request, by submitting a request to Lion Capital, the addition of supplementary topics to the agenda of GMS and/or may present draft resolutions for topics included or proposed to be included on the agenda of GMS.

Only shareholders registered on the record date in the Consolidated Shareholders Register of the Company kept by Depozitarul Central S.A. Bucharest are entitled to participate and vote at the general meeting of shareholders.

During the year 2023, the Board of Directors of Lion Capital convened OGMs for April 27 (28), 2023, and October 26 (27), 2023, and EGMs for February 23 (24), 2023, and April 27 (28), 2023.

Information on the general meetings of shareholders and the resolutions adopted are presented on the company's website, www.lion-capital.ro, under the *Investor Relations • General Meetings of Shareholders* section.

At the general meetings of shareholders held on April 27 and October 26, 2023, the suspension of the exercise of the voting right was made pursuant to art. 105 par. (2) of Law no. 31/1990, for the treasury shares, acquired in the public tender offer authorized by ASF through Decision no. 123/08.02.2023, conducted during the period February 16 – March 1, 2023.

Right to Dividend • Lion Capital, through its dividend policy, aims to maintain a balance between rewarding shareholders through dividends and the need for financing new investments from retained profits. The strategy to maintain this balance aims to increase the long-term investment attractiveness of LION stock and to sustain the company's future development potential, ensuring sustainable long-term profitability for the benefit of increasing shareholder value.

The method of remunerating Lion Capital shareholders is employed to serve their benefit through both the dividend distribution policy and the decision to reinvest profits or buyback programs, with the stated goal of increasing share value. This increase in shareholder capital value is manifested at least through the implicit increase in share value due to the favourable effect of profitable capital reinvestment. Depending on economic and financial developments, risk profiles, and shareholder investment expectations, both remuneration methods should offer at least the same investment attractiveness. If reinvestment opportunities are more attractive to shareholders or in the case of share repurchases on the market, the return on Lion Capital shareholder capital is likely to be higher than a simple taxable dividend distribution.

Remunerating shareholders through dividend distribution, reinvestment, or repurchase of shares listed on the market can bring additional benefits to shareholders in the medium and long term.

The determination of the method and proportion of net profit distribution is subject to approval by the General Meeting of Shareholders and considers the sustainability of the measure, the economic context, and current market yields.

The OGM on April 27, 2023, approved the allocation of the net profit for the financial year 2022, in the amount of RON 95,467,148, to Other reserves as own sources of financing.

Lion Capital's dividend policy is published on the company's website, www.lion-capital.ro, in the section dedicated to corporate governance.

Right to Information • Lion Capital acknowledges the importance of informing investors and the stakeholders, providing relevant and up-to-date information through continuous and periodic reports, thereby facilitating shareholders in exercising their rights in an equitable manner. Information concerning the Company's activities, which may influence stock prices, has been the subject of current reports or communications, transmitted to the market within 24 hours, and immediately made available to investors on both the BVB website and Lion Capital's own website, www.lion-capital.ro.

The publication of reports and communications on the Company's website occurs after they have been posted on the market operator's website, BVB, to ensure equal access to information for investors.

Following the change of corporate name and stock symbol, the company's website was moved to a new domain, www.lion-capital.ro, with access to the former address, www.sif1.ro, redirecting visitors to the current one. A crucial step in the rebranding process involved redefining the visitor experience, with the new website redesigned to have a simple and clear structure, featuring an attractive and modern interface, with a focus on optimizing accessibility from mobile devices. Significant improvement in the browsing experience was sought, with the updated interface designed to make searching for and accessing information a simple and engaging experience, providing updated and easily accessible information about the company's activities and results, in line with Lion Capital's mission to innovate and deliver excellence in the field of financial investments.

Company's new website is available at the address www.lion-capital.ro

In 2023, efforts were made to promote Lion Capital at capital market events (either individually or in partnerships with the BVB/BSE, intermediaries, media outlets), aiming to increase the company's visibility within the Romanian capital market and to a broader base of institutional investors both locally and internationally.

Within Lion Capital, the Investor Relations Office operates, dedicated to communication with shareholders, potential investors, analysts, the media, and other interested parties. The contact details are: 35A Calea Victoriei, Arad 310158, Romania, tel • fax: +40257 304 446, email: investitori@lion-capital.ro, with Mr Claudiu Horeanu as the contact person.

Further details regarding shareholders' rights are outlined in Lion Capital's articles of association, accessible on the company's website, under the *Corporate Governance* section.

Details on the procedure for conducting general meetings of shareholders are presented on the Company's website, in the Investors Relations section, *General Shareholders' Meetings* subsection.

Anti-corruption Measures

Lion Capital complies with the ethical and moral standards, permanently being engaged in implementing the necessary measures to prevent situations of abuse in the company's relations with all categories of collaborators, as well as in portfolio management, fund management and investment process. Lion Capital has developed and implemented reference documents dealing with, among other aspects, anti-corruption policies and procedures, namely: *Corporate Governance Code, Internal Regulations, Internal Regulations* and *Policy on Corporate Social Responsibility*.

These documents focus on the principles on which the company's policy is based in terms of anti-corruption measures, ethics, and business morality, embracing these values being essential, all decisions of the company's management are in accordance with the provisions and recommendations contained in the listed documents.

Internal Reporting (Whistleblower)

The company consents the internal reporting, by its employees, of the violation of capital market regulations and internal procedures through a specific, independent, and autonomous channel implemented through the e-mail system.

The compliance officer shall have access to the reports submitted for further verification and the preparation of reports to senior management with proposals for remedying the reported situations.

There were no complaints or notifications received through this channel in 2023.

Conflicts of Interest

Lion Capital applies internal rules and procedures aimed at avoiding conflicts of interest, by implementing appropriate measures in relation to the nature, size and complexity of the activities carried out. To avoid potential conflicts of interest, the Board members and executive directors of the company must comply with at least the following requirements without being limited to them:

The members of the Board of Directors must meet the conditions set out in the republished Law no. 31/1990 and the capital market legislation and may not be members of the board of directors / supervisory board or directors / members of the board of directors of another AIFM / investments management company / investment companies or of the depositary of assets of Lion Capital, must not be members of the board of directors / supervisory board of an SSIF (broker) with which Lion Capital has concluded a financial intermediation contract and must not be employed or have any kind of contractual relationship with another investment management company or with an investment company, with the exception of other entities belonging to the same group.

The directors of the company as well as the persons replacing them may not be members of the board of directors / supervisory board or directors / members of the board of directors of another AIFM or of the custodian of Lion Capital's assets, must not be members of the board of directors / supervisory board, directors or members of the board of directors of a financial investment services company (SSIF, brokers) with which Lion Capital has entered into a contract and must not be employed or have any contractual relationship with another AIFM, with the exception of other entities belonging to the same group. Through the internal policies, rules, and procedures, as well as through the functional organization adopted, Lion Capital considers that the relevant persons involved in the various activities that encompass a risk of conflict of interest to carry out these activities with an adequate degree of independence.

The internal policies, rules, and procedures to be complied with in Lion Capital aim at ensuring the degree of independence necessary for the prevention and management of conflicts of interest, as follows:

- the procedures provide for measures to prevent and control the exchange of information between relevant persons involved in the portfolio management activities or in other activities involving a risk of conflict of interest if the exchange of information may harm the interests of the Company or its shareholders;
- specific internal procedures regulate the confidentiality of information and the circulation of documents in physical and electronic format; for accessing the documents in the computer system, access levels are established;
- established assignments and responsibilities shall prevent the simultaneous or consecutive involvement of a relevant person in portfolio management, control or risk management activities for the proper management of conflicts of interest;
- from an organizational point of view, the functions regarding the decision, execution and supervision of the activity are separated so as to avoid the execution by the same person of tasks that may result in undetectable errors or activities that expose the company to risk;
- the directors will take decisions in the interest of the Company and will not take part in the debates or decisions that create a conflict between their personal interests and those of the Company or of some companies controlled by Lion Capital;
- each member of the Board will ensure the avoidance of any direct or indirect conflict of interests with Lion Capital or the companies under its control;
- each administrator shall inform the Board of Directors upon conflicts of interest, as they arise and shall refrain from debating and voting on the respective matters, in accordance with the relevant legal provisions;
- it is forbidden for the members of the Board, directors or any other person with whom the Company has an employment contract, to disseminate information on the transactions that Lion Capital intends to perform with financial instruments in its portfolio;
- in order to identify situations of a possible conflict of interest, in which an administrator or employee of the company may have a material interest on his behalf or of third parties, there is an obligation that employees / directors / administrators communicate to the company the activities and interests outside the company by filling in the form "Statement on external interests" - which is filled in at the beginning of the relations with Lion Capital and is updated periodically or whenever the situation requires it.

If conflicts of interest arise, Lion Capital ensures the correct management / administration and in the general interest of the company's shareholders.

Corporate Information Regime

The members of the Board, executive directors, and employees of Lion Capital are bound to keep the confidentiality of the documents and corporate information/data and comply with the Code of Ethics and Business Conduct and with the procedures approved by the Board of Directors concerning corporate information.

The Board of Directors adopted procedures regarding the Company's internal circuit of the documents and the disclosure to third parties of documents and information concerning Lion Capital, giving special importance to inside information - as defined by Law no. 24/2017 and European regulations, that may impact the market price of the shares issued by the Company.

The company must inform the public and ASF, thereupon, on privileged information directly concerning it. Postponement of public disclosure of inside information is made under the conditions specified by the applicable law, provided the confidentiality of such information.

In application of the provisions of the national and European regulations, namely ASF Regulation no. 5/2018, EU Regulation 596/2014, Commission Implementing Regulation (EU) 2022/1210, and

EU Regulation 347/2016, the company establishes and permanently updates the list of persons having access to inside information regarding the Company. The list of persons with access to inside information regarding Lion Capital shall be communicated to the Financial Supervision Authority upon its request.

Transactions of insiders (persons having access to privileged information)

Through internal procedures, the use of "privileged information" related to Lion Capital's investment policy by members of the board of directors, company directors, as well as any person employed under a contract with the Company, is prohibited when they engage in transactions with financial instruments in their own portfolio ("personal transactions").

The Company has established rules and internal procedures regarding personal transactions. Any personal transaction conducted by an individual with access to privileged information is notified in advance to the Compliance department of the company for verification of compliance with conflict-of-interest avoidance requirements. The transactions carried out are notified to the Compliance Office for registration in the personal transactions register, a register that is managed by the compliance officer.

In accordance with the provisions of internal rules and procedures and EU Regulation no. 596/2014 and EU Regulation no. 523/2016, persons holding managerial responsibilities as well as persons closely associated with them notify the company of each transaction carried out on their behalf regarding Lion Capital's shares or debt securities. This provision applies to any subsequent transactions once the value of EUR 5,000 has been reached during a calendar year. The EUR 5,000 threshold is calculated by aggregating all transactions conducted without offsetting from the beginning of the calendar year. For transactions with other securities, internal rules and procedures for personal transactions apply.

Transactions with shares issued by the Company conducted by management personnel during the year 2023 have been reported in accordance with legal requirements and are available for consultation on the company's website, www.lion-capital.ro, in the section dedicated to Investor Relations.

The notified transactions are recorded in the personal transactions register managed by the Compliance Office.

Treatment Applicable to Transactions with Affiliated Entities

The company is bound to publish a report if the board of directors approves a significant transaction with affiliated parties. Law no. 24/2017 on issuers of financial instruments and market operations stipulates this reporting obligation in the case of significant transactions, defined as a transaction whose individual or cumulative value represents more than 5% of the company's net assets according to the latest published financial statements.

In the event of significant transactions with affiliated parties, at the end of each semester, the financial auditor is required to analyse the transactions reported by the company during the semester and to prepare a report evaluating whether the transaction is fair and justified from the perspective of the company and shareholders who are not affiliated parties, including minority shareholders.

In the year 2023, Lion Capital did not engage in significant transactions with affiliated parties, as defined by Law no. 24/2017, which would impose a legal reporting obligation.

Protection of Personal Data

Lion Capital processes personal data to which it has access legally (e.g., based on the consent of the individual, a contract, legal obligations, legitimate interests of the Company), for the purpose of ensuring access to the Company's website and transmitting responses to requests from visitors of Company's website, in accordance with the provisions of Regulation (EU) 2016/679 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

Through its own website, www.lion-capital.ro, or through communications sent to its email addresses, Lion Capital may collect personal data either as a regulated/authorized/supervised entity by the Financial Supervisory Authority (ASF), as an issuer of securities listed on the regulated market, as a contractual partner, or in other particular cases that may arise exceptionally in the Company's activities. The Company ensures the confidentiality of the information brought to its attention within this obligation, committing to protect and properly use the personal information provided by the data subjects or a third party.

Lion Capital will periodically update its *Policy on Personal Data Protection*, depending on legislative changes that may occur.

Engagement Policy

The Policy on Engagement and Principles Regarding the Exercise of Voting Rights for the portfolio under Lion Capital's management is available on the company's website, www.lion-capital.ro, in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations, republished.

The policy was prepared in accordance with the provisions of Law no. 24/2017, as republished, and Directive EU 828/2017 amending Directive EC 36/2007 with regard to the encouragement of long-term shareholder engagement.

The purpose of the engagement policy is to establish the rules under which Lion Capital exercises the voting rights attached to the financial instruments held in the portfolio and to demonstrate how it incorporates shareholder participation into its investment strategy.

Additional information on the implementation of the engagement policy and the exercise by Lion Capital of voting rights for the portfolio under management is presented in Chapter 1 - *Lion Capital's Activity* in this report.

ESG (Environment – Social – Corporate Governance)

According to EU Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation or SFDR), financial market participants are bound to publish information regarding the integration of ESG risks and opportunities into their investment decisions.

Lion Capital's statement, prepared in accordance with Article 4 par. (1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the sustainability-related disclosures in the financial services sector, is published on the company's website, www.lion-capital.ro, in the *Corporate Governance* section.

The policy regarding the integration of sustainability risks into the investment decision-making process was revised in 2022, supplemented with the definition of the company's objectives and strategy regarding sustainability risk, and the separation of processes and responsibilities for integrating sustainability risk into investment decision-making from integration into the risk management system. The document is available on the company's website, www.lion-capital.ro, in the *Corporate Governance* section.

The policy on the management of significant risks, revised together with the policy on integrating sustainability risks into the investment decision-making process, was supplemented with the definition of processes for identifying, evaluating, and managing sustainability risks. Thus, the requirement of Delegated Regulation (EU) No 1255/2021 amending Delegated Regulation (EU) no. 231/2013 regarding sustainability risks and sustainability factors to be considered by AIFM was fulfilled.

Lion Capital's remuneration policy, approved by shareholders, promotes effective and robust risk management without incentivizing excessive risk-taking in relation to sustainability risks, correlating with risk-adjusted performance.

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

The **Risk Management** chapter presents aspects related to risk management, monitoring, and reporting processes, including ESG risks relevant to Lion Capital's activities.

Awareness and application of ESG criteria (environmental, social, governance) in investments and business become essential in the context of risks caused by climate change. These can affect the stability and economic performance of the Group and portfolio companies through potential disruptions in the supply chain, increased energy costs, or new regulations aimed at reducing greenhouse gas emissions. Therefore, adopting and implementing ESG criteria in investments and business can help minimize these risks and improve long-term performance.

The challenge for Lion Capital initially involves allocating efforts to identify, collect, analyse, and report ESG *indicators (accuracy and comparability of reported non-financial information, collecting relevant data, allocating IT resources, expertise required for understanding and implementing reporting requirements, as well as creating and conducting consultation processes with stakeholders, materiality analysis, identification and reporting of material issues and specific indicators)*.

Environment

Although it does not have a direct impact on the environment due to the nature of its activities, Lion Capital shows significant concern for environmental protection and promoting responsible business practices. These concerns are reflected in various aspects of its current activities and the principles it adopts.

Responsible Waste Management. Lion Capital has a careful and responsible approach to environmental protection by appropriately managing waste generated by employees and daily operations. This includes collecting, sorting, and efficiently managing various types of waste such as paper, plastic, electronic and electrical equipment, batteries and accumulators, lighting devices, and printer cartridges. The focus on selective collection and the implementation of responsible recycling and disposal practices ensures a minimal environmental impact and contribute to the sustainable and efficient use of resources.

Energy Efficiency. Concern for reducing electricity and methane gas consumption (for space heating and hot water supply) in the headquarters and branch offices has been a priority to minimize environmental impact and control operational costs. Measures have been sought to optimize space usage, implement energy efficiency practices, and upgrade equipment to reduce energy consumption.

Promotion of Electronic Communication and Process Digitalization. One way to reduce environmental impact is through resource-saving measures. Lion Capital opts for electronic communication whenever possible instead of paper-based communication, digitizing its operations to reduce paper usage and the consumption of associated natural resources. Additionally, it aims to use electronic equipment with low energy consumption and comply with ergonomic and environmental protection standards.

Responsible Investments. Being an investment fund, Lion Capital is aware that its business operations can have a substantial indirect impact on the environment. Therefore, it is concerned with improving the sustainable performance of the companies in which it invests and contributing to a more sustainable economy. Recognizing this impact and taking appropriate measures are among the important challenges anticipated at the societal, group, and financial industry levels, within the context of a responsible investment approach, contributing to a greener and fairer world.

Through these initiatives, Lion Capital's investments demonstrates a serious commitment to environmental protection and social responsibility, aiming to contribute to a greener and more equitable world through its activities and decisions.

Corporate Social Responsibility

The role and attitude of an investment fund as an actor engaged in corporate responsibility are crucial in the current context where the expectations of the community and investors are constantly changing, and broader commitments to society and the environment are imperative.

Transparency and accountability are increasingly valued, with the public now expecting companies to be more than just economic and financial entities. They are judged not only by their economic performance but also by their contribution to the communities in which they operate. People want to see how they contribute to the sustainable development of society through good environmental management, responsible employee practices, and socially responsible business practices. Lion Capital thus understands the importance of behaving ethically and sustainably, being a socially responsible actor, attentive and responsive to the needs of the community in which it operates, aware that it has an important role to play in building a more responsible and healthier society.

Therefore, Lion Capital embraces responsibilities not only towards its shareholders but also towards the communities in which it invests and operates. This involves not only generating profits but also contributing to creating a positive impact in society and protecting the environment.

Through its actions, Lion Capital aims to promote professionalism, excellence, innovation, responsibility, teamwork, diversity, and commitment. By adopting a proactive approach to corporate responsibility, Lion Capital not only protects its own reputation and investor relations but also contributes to building a fairer and more sustainable economy for our common future.

By adopting a socially responsible approach, Lion Capital embraces responsibility for the community in which it operates. This involves responsible management of environmental issues, respect for fundamental human rights, and the promotion of diversity and equity among its employees and partners. Lion Capital is aware that adopting a socially responsible attitude can have a positive impact on its financial performance, its employees, contributing to improving the Fund's reputation in the community and strengthening relations with investors and other stakeholders.

By engaging in promoting professionalism, excellence, and innovation in all aspects of its business, Lion Capital not only enhances financial performance but also contributes to sustainable economic development of society, understanding that success cannot be measured solely by financial performance but also by its contribution to society and the environment. Thus, adopting a proactive and responsible attitude towards social responsibility is essential for creating a more responsible and healthier society overall.

During 2023, Lion Capital financially supported projects in the field of higher economic education, culture, and the investment fund management industry.

Also in 2023, Lion Capital joined the Financial Supervisory Authority in the nationwide expansion project of the financial education program aimed at pre-university students, *Start2Learn: Personal Finance*, with the aim of making a significant contribution to the financial education of young people in Romania. Thus, four representatives of Lion Capital got the status of volunteer financial education lecturer, and based on partnerships established with pre-university educational institutions, they will deliver financial education classes during the school year 2023 - 2024.

The corporate social responsibility policy of Lion Capital is published on the company's website, www.lion-capital.ro, in the section dedicated to corporate governance.

Financial Reporting

The financial statements for FY 2023 were prepared in accordance with the International Financial Reporting Standards and ASF Norm no. 39/2015, which applies together with the Accounting Law no. 82/1991 (republished and amended). The financial auditor is Deloitte Audit S.R.L.

On April 27, 2023, the Company published the *separate financial statements and the consolidated financial statements for the year ended December 31, 2022,* prepared in accordance with Norm no. 39/2015 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority of the Financial Instruments and Investments Sector, audited by Deloitte Audit S.R.L. and approved by the Ordinary General Meeting of Shareholders on April 27, 2023 – accompanied by the annual report of the administrators and the report of the independent auditor.

On May 15, 2023, the Company published the Quarterly Report as of March 31, 2023, in accordance with Law no. 24/2017, Law no. 74/2015, Law no. 243/2019, ASF Regulation no. 10/2015, ASF Regulation no. 7/2020, ASF Regulation no. 5/2018 and ASF Norm no. 39/2015.

On August 31, 2023, the Company published the Report for 1H 2022, prepared in accordance with Law no. 24/2017, Law no. 74/2015, Law no. 243/2019, ASF Regulation no. 10/2015, ASF Regulation no. 7/2020, ASF Regulation no. 5/2018 and Norm no. 39/2015. The condensed interim separate Financial Statements as of June 30, 2023, included in the half-yearly report, were prepared in accordance with Norm no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by the ASF.

On September 29, 2023, the Company published the consolidated Report for 1H 2023. The condensed interim consolidated Financial Statements, as of June 30, 2023, contained in the consolidated half-yearly Report, were prepared in accordance with Rule no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by the ASF.

On November 15, 2023, Lion Capital made available to the public the Report 3Q 2023, prepared in accordance with Law no. 24/2017, Law no. 74/2015, Law no. 243/2019, ASF Regulation no. 10/2015, ASF Regulation no. 7/2020, ASF Regulation no. 5/2018 and ASF Rule no. 39/2015.

4. Financial Analysis

Lion Capital prepared the financial statements as of December 31, 2023, pursuant to International Financial Reporting Standards (IFRS) as adopted by the European Union and to the ASF Norm no. 39/2015 for the approval of Accounting Regulations applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority (ASF) in the Sector of Financial and Investment Instruments.

The Separate Financial Statements as of December 31, 2023, including the related notes, are presented in Annex 1 to this report.

The following are comments on the financial position and the results of the Company in the financial year 2023, compared to the preceding three financial years:

4.1 Separate Statement of Financial Position

	2023	2022	2021	2020
Cash and cash equivalents (including bank deposits)	408,814,516	26,615,152	339,358,760	150,710,816
Financial assets at fair value through profit and loss	1,900,476,975	1,723,810,844	1,680,415,609	1,394,390,304
Financial assets at fair value through other comprehensive income	1,977,331,822	1,624,523,020	1,559,352,399	1,314,430,895
Investment property, Tangible assets, Other assets	19,162,849	30,314,136	28,259,291	24,239,628
Total Assets	**4,305,786,163**	**3,405,263,152**	**3,607,386,059**	**2,883,771,643**
Deferred tax liabilities	182,852,994	136,546,721	179,957,876	146,231,940
Other liabilities (payable dividends, leasing, deferred revenues)	22,561,385	25,863,246	11,301,898	7,635,012
Total liabilities and deferred revenues	**205,414,379**	**162,409,967**	**191,259,774**	**153,866,952**
Share capital	50,751,006	50,751,006	51,542,236	51,542,236
Treasury shares (including costs related to the repurchase)	(2,494,800)	-	(21,694,227)	(2,240,526)
Retained earnings	1,243,688,988	832,847,626	1,140,789,898	743,318,231
Other equity elements (other reserves, legal reserves, benefits granted)	1,713,021,682	1,617,427,194	1,261,063,053	1,170,807,710
Reserves from revaluation of financial assets through other items of comprehensive income	1,095,404,908	741,827,359	984,425,325	766,477,039
Total Equity	**4,100,371,784**	**3,242,853,185**	**3,416,126,285**	**2,729,904,691**
Total Liabilities and Equity	**4,305,786,163**	**3,405,263,152**	**3,607,386,059**	**2,883,771,643**

Cash and cash equivalents include all of the Company's liquid placements in term deposits, current accounts, and cash on hand. The significant increase compared to 2022 is the result of a prudent and adaptive approach to ensure adequate performance. In this context, following the investment strategy, Lion Capital has aimed to calibrate the portfolio on assets/financial instruments benefiting from an inflationary environment, continuing the portfolio restructuring by reducing minority exposures that do not fit the Fund's investment strategy, and actively managing majority holdings to develop their businesses and performances.

The category of *Financial assets at fair value through profit and loss* includes the Company's holdings of equity instruments in its subsidiaries and associated entities (excluding investments in consolidated subsidiaries), holdings in investment units, and investments in bonds (issued by subsidiaries – VNC24). The increase in the position of *Financial assets measured at fair value through profit and loss* compared to 2022 is due to value increases resulting from fair value differences related to unlisted or inactive-market equity investments.

Financial assets at fair value through other comprehensive income include equity investments, for which the Company chose - upon initial application of IFRS 9 - the irrevocable option to reflect fair value variations in other comprehensive income. This equity position is mainly influenced by: (1) the effect of stock market fluctuations in 2023 on the Company's portfolio of minority investments (primarily increases in financially profiled listed companies) and (2) significant net investments made within this category of assets in 2023.

Investment Property, Tangible Assets, and Other assets mainly include buildings and land acquired by the Company as a result of branch closures and withdrawal of contributions in-kind from portfolio companies. The fair value of the Company's investment property as of December 31, 2023, is of RON 14.27mni. Tangible Assets (property, plant, and equipment) held by the Company are those used for operational and administrative activities at the headquarters. The Other assets position mainly includes the Company's receivables from third parties.

Deferred tax liabilities represent tax payable/recoverable in future periods related to taxable/deductible temporary differences between the accounting and tax values of an asset or liability. The increase in this position compared to the previous year is primarily the effect of adjusting deferred tax related to the increase in fair value reserves of equity instruments measured at fair value through other comprehensive income, against the backdrop of positive capital market developments in 2023.

Equity holds the majority share in the liability structure. The value of this position has increased by 26% compared to the previous year's level, as both the realized net profit, higher than that of 2022, and the amounts reflected in other comprehensive income have had a favourable impact on the value of equity, as follows:

- the increase in retained earnings is primarily determined by the difference between the current year's result for 2023 (RON 417.25mn) and the part of the previous year's result that was not distributed as dividends;
- the position of Fair value changes related to financial assets measured through other comprehensive income, increased by 48% compared to the end of 2022, reflects the impact of recognizing favourable fair value differences related to financial assets highlighted in this category (equity investments in companies where LION holds a minority position, equity investments in the two subsidiaries included in the consolidation scope), being influenced by both the net fair value difference resulting from market marking and the net result from the disposal of financial assets measured at fair value through other comprehensive income, transferred within retained earnings.

4.2 Separate Statement of Profit and Loss and Other Comprehensive Income

	2023	2022	2021	2020
Income, of which:	**166,278,370**	**174,916,193**	**135,434,720**	**94,840,715**
Dividend Income	151,903,565	166,188,008	130,451,726	85,778,801
Interest Income	14,289,563	8,709,566	4,737,208	8,889,199
Other Operating Revenues	85,242	18,619	245,786	172,715
Gain/(Loss) on Investments, of which:	**296,845,895**	**(47,396,502)**	**288,290,481**	**27,816,050**
Gain/(Loss) on Foreign Exchange Differences	1,165,018	(20,400)	2,274,798	2,156,143
Gain/(Loss) on Investment Property	1,400,035	10,042	699,195	2,769,835
Gain / (Loss) on Financial Assets at Fair Value Through Profit and Loss	294,280,842	(47,386,144)	285,316,488	22,890,072
Expenses, of which:	**(27,526,925)**	**(24,393,742)**	**(27,384,877)**	**(28,472,943)**
Expenses/Reversals on Adjustments for Impairment	-	566,018	93,593	-
Commissions Expenses	(5,068,294)	(4,350,043)	(5,109,130)	(8,794,811)
Other Operating Expenses	(22,458,631)	(20,609,717)	(22,369,340)	(19,678,132)
Profit Before Tax	**435,597,340**	**103,125,949**	**396,340,324**	**94,183,822**
Income Tax	(18,342,208)	(7,658,801)	(9,339,219)	(2,061,416)
Net Profit for the Period	**417,255,132**	**95,467,148**	**387,001,105**	**92,122,406**
Other Comprehensive Income	**442,630,926**	**(240,290,182)**	**320,541,254**	**(112,288,232)**
Total Comprehensive Income for the Period	**859,886,058**	**(144,823,034)**	**707,542,359**	**(20,165,826)**

The course of **Income** with significant weight was as follows:

Dividend income recorded a decrease in 2023, 9% below the level of 2022. This decline is due to the fact that the main local and listed banks in Lion Capital's portfolio, at the recommendation of the National Bank of Romania, postponed the payment of dividends to shareholders, following the difficult economic situation post-coronavirus and historical inflation.

Interest income includes interest on bank deposits, corporate bonds, loan granted to subsidiary, and the financing component attached to financial asset transfer contracts. In 2023, the volume of interest income is significantly higher than that achieved in the previous year. Structurally, interest income related to fair value through profit or loss assets increased by 48% compared to 2022, while interest income related to amortized cost assets and fair value through other comprehensive income assets increased by 94% compared to 2022.

Other operating revenues typically includes the Company's receipts from the recovery of litigation expenses and other occasional income.

Gain / (Loss) on investments – the result for 2023 was positively influenced by the favourable fair value differences related to financial assets measured at fair value through profit and loss, according to IFRS 9. These investments include both holdings in subsidiaries excluded from the scope of consolidation, following their recognition as investment entities, and investments in fund units issued by closed-end investment funds. The main contributors to favourable fair value differences were shareholdings in listed subsidiaries and associated entities.

Commission expenses include fees payable to regulatory institutions, the custodian, the Stock Exchange, and intermediaries. Their level increased vs. 2022, as is the case with the *Other operating expenses category*, which includes personnel and management salaries, taxes due, and other expenses incurred by the Company. Total expenses in 2023 are slightly higher than those recorded in 2022, reflecting the positive dynamics recorded by LION in 2023.

4.3 Separate Cash Flow Statement

	2023	2022	2021	2020
Operating Activities				
Profit net al perioadei	**417.255.132**	**95.467.148**	**387.001.105**	**92.122.406**
Adjustments for:				
Amortization of tangible and intangible assets	526.264	553.220	516.273	508.825
Net (Gain) / Loss on disposal of tangible assets	-	-	5.369	33.012
Gain on valuation of investment property	(1.400.035)	(10.042)	(699.195)	(2.769.835)
(Net gain) / Net loss from financial assets at FVTPL	(294.280.842)	47.386.144	(285.316.488)	(22.890.072)
Dividend income	(151.903.565)	(166.188.008)	(130.451.726)	(85.778.801)
Interest income	(14.289.563)	(8.709.566)	(4.737.208)	(8.889.199)
Expense with interest related to leasing agreements	22.234	37.655	56.967	68.104
Gain)/Loss on exchange rate differences assets / financial liabilities and other revenues/expenses	(136.295)	(1.344.661)	16.254	(1.089.757)
Benefits granted in equity instruments	2.315.317	2.000.537	2.576.937	1.867.063
Income tax	18.342.208	7.658.801	9.339.219	2.061.416
Changes in assets and liabilities related to operating activities				
Changes in other assets	109.301	(1.394.848)	(411.564)	47.345
Changes in other liabilities	(675.389)	4.438.258	3.792.170	3.630.709
Income tax paid	(19.871.237)	-	(30.732.758)	(4.451.293)
Net cash (used in) / from operating activities, of which:	**(43.986.470)**	**(20.105.362)**	**(49.044.645)**	**(25.530.077)**
Investment activities				
Payments for purchase of financial assets at FVTOCI	(23.748.220)	(357.337.857)	(67.751.279)	(7.459.123)
Proceeds from the sale of financial assets at FVTOCI	183.810.181	8.378.030	196.793.416	65.497.597
(Investments) / Proceeds from deposits with term longer than 3 months	-	79.198.863	(79.198.863)	4.500.000
Proceeds from sale of assets at FVTPL	168.740.454	27.193.910	16.484.890	9.899.346
Payments for purchase of assets at FVTPL	(56.689.483)	(115.657.463)	(12.906.934)	(159.436.657)
Proceeds/(Payments) for purchase of assets recorded at amortized cost			-	43.746.000
Payments for purchases of tangible assets	(73.588)	(231.500)	(113.688)	(216.528)
Proceeds from sale of assets and investment property	464.057	-	926.060	9.636.800
Dividends collected	146.223.963	159.092.059	125.033.641	83.779.746
Interest collected	12.674.637	5.452.918	3.581.221	9.364.509
Net cash (used in) / from investment activities	**431.402.001**	**(193.911.040)**	**182.848.463**	**59.311.690**
Financing activities				
Payments related to leasing	(287.920)	(295.131)	(281.064)	(274.603)
Dividends paid	(155.454)	(19.199.846)	-	-
Repurchase of own shares	(4.772.793)	-	(24.107.040)	-
Net cash (used in) / from financing activities	**(5.216.166)**	**(19.494.976)**	**(24.388.104)**	**(274.603)**
Increase / (decrease) in net cash and cash equivalents	**382.199.365**	**(233.511.378)**	**109.415.714**	**33.507.010**
Cash and cash equivalents on January 1st	**26.615.152**	**260.126.530**	**150.710.816**	**117.203.806**
Cash and cash equivalents on December 31st	**408.814.517**	**26.615.152**	**260.126.530**	**150.710.816**

In 2023, the net cash generated from investment activities amounted to RON 431.4mn, as a result of significant sales of both listed and unlisted shares. The collected dividends (RON 146mn) and the proceeds from disinvestments led to a significant increase in the cash and cash equivalents position as of December 31, 2023, compared to the beginning of the reporting period.

4.4 Implementation of Budget for 2023, Summary Statement

Implementation of Budget for 2023	Result for 2022	Provisions for 2023	Result for 2023	+/- vs. budget
Total income	**174,916,193**	**98,850,000**	**166,278,370**	**68.2%**
Net gain/(loss) on investment	**(47,396,502)**	**-**	**296,845,895**	
Operating expenses	**24,393,742**	**33,655,000**	**27,526,925**	**-18.2%**
Profit before tax	**103,125,949**	**65,195,000**	**435,597,340**	**568.1%**
Income tax (including tax on gross dividends due)	7,658,801	4,071,000	18,342,208	350.6%
Net profit for the year	**95,467,148**	**61,124,000**	**417,255,132**	**582.6%**
Total comprehensive income for the year	**(144,823,034)**	**-**	**859,886,058**	**N/A**

Total Income achieved is 68.2% above the projections for 2023 and 5% below the result for 2022. The dynamics of the main variables are presented in the Statement on Profit and Loss and Other Comprehensive Income.

Net Gain on Investment has significantly increased vs. 2022, as this component was positively influenced by the marking to market of assets measured at fair value through profit and loss.

Operating Expenses incurred in 2023 are below the budgeted amounts by 18.2% and 12.8% higher than those recorded in 2022.

The Gross Result, amounting to RON 435.6mn, exceeds the projections for 2023 primarily due to the net gain on investment.

The net result for the fiscal year, totalling **RON 417.25mn**, surpasses the level of projections for 2023. The favourable evolution of listed equity investments measured through the profit and loss account in 2023 decisively influenced the Company’s performance.

5. Other Significant Information

Change of Company Name to Lion Capital

Societatea de Investiții Financiare (SIF) (in English Financial Investment Company) Banat-Crișana S.A., successor of the Private Property Fund (Romanian acronym: FPP) I Banat-Crișana, had its name mandated by law, which directly described its activities, with the addition of the name of the historical province in Romania where its headquarters are located.

Starting from July 24, 2020, Law no. 133/1996 regarding the transformation of FPPs into financial investment companies (SIFs), which included specific provisions regarding the naming of these companies, was entirely repealed by article 81 paragraph (3) of Law no. 243/2019 regarding alternative investment funds. Following the authorization by the Financial Supervisory Authority (ASF) of the company as an alternative investment fund addressed to retail investors (Romanian acronym: FIAIR), SIF Banat-Crișana S.A. was deregistered from the ASF register as a financial investment company. Through this authorization as an FIAIR, the company was deprived of an essential step in building a brand, namely the choice of corporate name. Thus, retaining the name "Financial Investment Company Banat-Crișana" became not only anachronistic, but also confusing.

The corporate name **Lion Capital** carries extensive symbolism, primarily making an evocative reference to the financial sector in which the Fund operates (the national currency - lion), being a suitable title for an investment fund. In the accelerated process of globalization, the corporate name is easily understandable and embraced by any investor, conveying openness and dynamism. Both as a verbal identity and as a logo, the name conserves the roots of SIF Banat-Crișana, which claimed descent from the historical region in the name, and a heraldic element of Banat - the lion - is the main visual element of the company's logo, conveying continuity and durability through its adoption. The lion, as a symbolic element, conveys power, authority, uniqueness, and energy, being, in all universal cultures, an emblem of strength and determination.

In constructing the Lion Capital logo, the lion symbol from the SIF Banat-Crișana logo was adopted, but transformed to convey the new attributes, aiming to achieve increased visibility through a revised colour scheme, while subtly conveying messages regarding both the Fund's current value and, especially, its development prospects. The strong visual impact ensures a remarkable presence, conveying the message of power and importance associated with the brand, suggesting a connection with the values and authority inherited over time, reinforcing the perception of strength and prestige in the eyes of the public.

Therefore, at the beginning of 2023, shareholders approved the change of the company's name from Societatea de Investiții Financiare Banat-Crișana S.A. to Lion Capital S.A.

Authorization of Changing the Corporate name to Lion Capital S.A. and of the Articles of Association

On March 17, 2023, the company received the Authorization no. 23/16.03.2023 issued by ASF authorizing the changes made to the Articles of Association of the Company, in accordance with Resolutions no. 2 and no. 3 of the Extraordinary General Meeting of Shareholders held on February 23, 2023, including the change of the company's name from SIF Banat-Crișana S.A. to Lion Capital S.A.

The company filed with the Trade Register Office attached to the Arad Tribunal the application for registration in the Trade Registry of the mentions regarding the change of the company's name and the updated Articles of Association. On March 24, 2023, the Trade Register issued the Certificate of Recorded Amendments no. 8861/20.03.2023, the Ruling no. 3610/23.03.2023, and Registration Certificate series B, no. 4692143, reflecting the changes in the Trade Registry, including the change of the company's name and the amendment of the Articles of Association.

Considering that, in accordance with the provisions of art. 34 of ASF Regulation no. 7/2020 regarding the authorization and operation of alternative investment funds, the changes made to the company's Articles of Association come into force after their authorization by ASF and their registration with the Trade Register, the company informed the shareholders and investors that, starting from March 24, 2023, the date of completion of the formalities of amendments and registration in the Trade Register, the change of the company's name from "Societatea de Investiții Financiare Banat-Crișana S.A." to "Lion Capital S.A." comes into force, as well as the other amendments to the Articles of Association.

Starting from March 24, 2023, the corporate new name - Lion Capital S.A. - is used in all documents issued by the company, including those for the general meetings of shareholders held on April 27, 2023.

Change of Stock Symbol to LION

The Fund has performed all necessary operations for the name change, both with administrative, fiscal, and capital market institutions, as well as in relation to partners and collaborators. From March 30, 2023, the Central Depository SA and the Bucharest Stock Exchange have updated the new name in the records under their management.

On May 15, 2023, the change of the stock symbol (ticker) from the old symbol "SIF1" to the symbol "LION" took place. The event was marked by the official opening of the trading session on this date by representatives of the Bucharest Stock Exchange, Lion Capital, and other guests, thus celebrating a new stage in the Fund's existence.

Intellectual property dispute regarding the use of the trade name

Lion Capital informed the investors by the current report dated March 15, 2024, that the Bucharest Tribunal has notified the action filed in case file no. 38735/3/2023 by the claimant Lion Capital LLP, a British legal entity, having as its object an intellectual property dispute regarding the use of the trade name "Lion Capital" by our company. The Company will keep the investors informed of any significant developments regarding the progress of the litigation.

Extraordinary General Meeting of Shareholders of February 23, 2023

Gathered on February 23, 2023, at the first call, the Extraordinary General Meeting of Shareholders approved: the change of company's name from "Societatea de Investiții Financiare Banat-Crișana S.A." to "Lion Capital S.A.", as well as the corresponding amendment to Article 1 par. (1) of the company's Articles of Association regarding the company's name, and other modifications and additions to the Articles of Association of the company.

The other modifications and additions to the Articles of Incorporation approved by the shareholders refer to:

- the introduction of an explicit clause, pursuant to which "abstentions" will be considered as votes cast, with the consequence of their consideration in determining the majority required for the approval of resolutions of the general meetings of shareholders;
- the removal of the reference to the provisions of Law no. 24/2017 (which regulated the definition of "intermediaries") and its replacement with a general reference to the definition of intermediaries provided by the applicable legal framework;

- the explicit regulation of the prerogative of directors, to whom management competencies have been delegated, to represent the Company in relations with third parties, within the limits of the attributions and competencies provided by the internal regulations of the Company and the decision-making and signature competencies approved by the Board of Directors, in the absence of the Chairman-CEO and the Vice-Chairman.

The Public Tender Offer for SIF1 shares

On January 20, 2023, the Company filed with the Financial Supervisory Authority the Public Tender Offer Document for the purchase of 1,870,000 own shares, together with the related documentation. SSIF SWISS CAPITAL S.A. was appointed as an intermediary in the Public Tender Offer. The offer, carried out between February 16 and March 1, 2023, intended the purchase of 1.87 million SIF1 shares, at a price of RON 2.52/share.

The public offer fulfilled the EGM resolutions no. 3 of October 11, 2021, and no. 5 of April 28, 2022, which approved the running of a buyback program ("Program 4") for 880,000 shares, respectively a buyback program ("Program 6"), for 990,000 shares, for their distribution free of charge to members of the company's management.

The results of the public tender offer were published on March 7, 2023, informing investors that 7,673,570 shares representing 1.5120% of the issuer's share capital (oversubscription more than four times) were submitted within the offer, 1,870,000 shares being repurchased, the total amount paid being of RON 4,712,400. Following the closing of the offer, the Company was holding 1,870,000 own shares, representing 0.3685% of its share capital.

Disclosure Document Concerning the Shares Offered to the Members of the Management Structure

On March 13, 2023, the Company informed the shareholders that, based on the resolutions adopted by the Extraordinary General Meeting of the Shareholders of the Company of April 28, 2022, as follows:

- EGM Resolution no. 5/28.04.2022 approving the execution of a buyback program for 990,000 shares (Program 6), to be distributed free of charge to the members of the Company's leadership (administrators, directors), aiming to foster their loyalty and reward them for their activity within the Company.

- EGM Resolution no. 6/28.04.2022, approving: (i) the use of shares purchased under the Buyback Program 6 for their distribution free of charge to members of the company's leadership (administrators, directors), in a share-based payment plan of a "Stock Option Plan" type; (ii) the empowerment of the Board of Directors of the Company to take all necessary measures and to fulfil all the formalities required for the approval and implementation of the share-based payment plan of a "Stock Option Plan" type.

Company's Board of Directors approved on March 8, 2023, the offering free of charge to the members of the management structure (administrators, directors) of 990,000 shares in a share-based payment plan of a "Stock Option Plan" type.

The vesting (transfer of shares) will be made when the conditions in the "Stock Option Plan" are met and the option is exercised by each beneficiary, after a term of 12 months has passed since the signing of the payment agreements.

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

Completion of Share-based Payment Plan

On March 14, 2023, the Company informed the shareholders that by the Current Report of January 25, 2022, the public was informed upon the approval by the Board of Directors of the “Share-based payment plan” (Stock Option Plan), by which 880,000 SIF1 shares were offered to the members of Company’s management, as per the resolutions no. 3 and no. 4 adopted by the Extraordinary General Meeting of Shareholders on October 11, 2021.

At the same time, with the same current report, it was published the “Disclosure document concerning the shares offered or allotted to members of SIF Banat-Crișana management” prepared as per Annex no. 4 to Regulation no. 5/2018.

Upon completing the term of 12 months from the signing of the share-based payment agreements, the members of the management structure exercised their right to receive a number of 880,000 SIF1 shares, representing 0.1734% of the current share capital.

On March 13, 2022, Depozitarul Central (Central Depository) carried out the direct transfer of shares in accordance with the regulations in force. The information provided in art. 19 of Regulation (EU) 596/2014 EU are available on company's website in the Investor Relation section.

As there were no changes in the “Disclosure document concerning the shares offered or allotted” initially published, the said current report represented the “Disclosure document concerning the allotted shares”, within the meaning of the provisions of the ASF Regulation no. 5/2018.

Notifications under art. 71 par. (1) of Law 24/2017

On January 5, 2023, the Company informed the shareholders upon the receiving on January 4, 2023, of Notifications of change in ownership threshold of 5% in Company’s share capital from the shareholder SIF Muntenia S.A. (5.0734%) and the shareholder Opus – Chartered Issuances S.A. (5,07717%).

Methods for the Measurement of Assets in Lion Capital’s Portfolio

As per the provisions of ASF Regulation no. 10/2015 (art. 19) and Regulation (EU) 231/2013 (art. 69-70), on February 28, 2023, Lion Capital informed the investors upon maintaining the evaluation policies and methods used for the measurement of the financial assets in the company's portfolio presented on the company's website, at www.lion-capital.ro.

Fine Levied by ASF

The Financial Supervisory Authority communicated to the company, on March 1, 2023, the Decision 199/01.03.2023, by which it fined Bogdan-Alexandru Drăgoi, Chairman – CEO of SIF Banat-Crișana (currently Lion Capital), because the Fund had not notified, in March 2020, about exceeding, together with SIF Muntenia, the threshold of 5% of voting rights on Bucharest Stock Exchange (BVB). ASF considers that the two funds are presumed to have acted in concert. The fine was paid within the stipulated time.

The Ordinary (OGM) and Extraordinary (EGM) General Meeting of Lion Capital’s Shareholders of April 27, 2023

The Board of Directors of the Company, gathered in the meeting of on March 23, 2023, in accordance with article 117 of Law no. 31/1990, convened the ordinary general meeting of shareholders (OGM) for April 27 (28), 2023, at 10:00 a.m., and the extraordinary general meeting of shareholders (EGMS) for April 27 (28), 2023, at 12:00 p.m., at the company's headquarters in Arad, 35A Calea Victoriei.

Starting from March 27, 2023, all informative materials related to the agenda items and draft resolutions submitted for approval at the general meeting have been made available to the shareholders, being published on the Company's website, at www.lion-capital.ro, in the *Investors Relations* section, subsection *General Shareholders' Meetings*.

The agenda of the OGM was supplemented, considering the request made by the shareholder Blue Capital S.A., which held 9.0423% of the share capital, through letter no. 8/07.04.2023, registered at the company's headquarters under no. 732/07.04.2023, by adding an alternative version regarding the profit distribution.

The OGM and EGM were held on April 27, 2023, starting at 10:00 a.m. (Romanian time) and respectively at 12:00 p.m. (Romanian time), at the first call.

The ordinary general meeting of shareholders approved: (i) the separate and the consolidated financial statements for the financial year 2022, including the remuneration report of SIF Banat-Crișana for the year 2022, in accordance with the provisions of art. 107, par. (6) of Law no. 24/2017 republished, annex to the annual report of the Board of Directors; (ii) the allocation of the net profit for the financial year 2022, in the amount of RON 95,467,148, to Other reserves, as own financing sources according to the proposal of the Board of Directors, the shareholders rejecting the proposal made by the shareholder Blue Capital; (iii) discharge of liability of the members of the Board of Directors for the activity carried out during the financial year 2022; (iv) the Income and Expense Budget and the Activity Program for the year 2023; (v) the remuneration due to the members of the board of directors for the financial year 2023; (vi) the general limits of all additional remunerations of the members of the board of directors and the general limits of the directors' remuneration for the financial year 2023.

The Extraordinary General Meeting of Shareholders of April 27, 2023, approved: (i) the amendment of art. 6 par. (6), art. 7 par. (5), art. 7 par. (14), art. 7 par. (15) of the Articles of Association of the company; (ii) the implementation of Program 7 for the buyback of 990,000 shares of the Company, in compliance with the applicable legal provisions; (iii) the use of the shares repurchased under Buyback Program 7, for their distribution free of charge to the members of the Company's leadership (administrators, directors), within a Stock Option Plan, in compliance with the current legislation.

The full versions of the Resolutions adopted by the OGM and EGM of April 27, 2023, are available for consultation on the Company's website, at **www.lion-capital.ro**, in the Investors Relations section.

Authorization by ASF of the amendment to Lion Capital's Articles of Association

On May 19, 2023, Lion Capital informed investors that ASF, through Authorization no. 73/18.05.2023, had authorized the modifications to the significant conditions underlying Lion Capital's authorization as an alternative investment fund manager, following the changes made to the Company's Articles of Association, in accordance with the Decision no. 3 of the Extraordinary General Meeting of Shareholders of Lion Capital on April 27, 2023.

The aforementioned resolution of the EGM was the subject of the Current Report dated April 27, 2023.

Managers' Transactions - art. 19 EU Regulation no. 596/2014

Lion Capital informed the shareholders and investors, through the current reports of 13.06.2023, 20.06.2023, 23.06.2023, 29.06.2023, 10.07.2023, 14.07.2023 and 6.12.2023, on the transactions carried out by Mr. Sorin MARICA - non-executive administrator of the company, having the capacity of a person who exercises management responsibilities.

Changes in Company's Management

In the current report dated October 2, 2023, Lion Capital informed investors that, starting from October 1, 2023, the mandate of Deputy General Director held in the company by Mrs Teodora Sferdian based on the delegation of powers agreement concluded with the company, ceased by mutual agreement of the parties.

The termination of the mandate contract occurred following Mrs Teodora Sferdian's request to step down from her position, based on strictly personal reasons.

On November 16, 2023, Lion Capital informed investors that, in the meeting held the previous day, the Board of Directors of the company approved the delegation of the company's management to Mr Florin-Daniel Gavrilă, as director, in accordance with the provisions of Article 143 of Law no. 31/1990, within the limits of the responsibilities and powers provided by Lion Capital's internal regulations and the decision-making and signing powers approved by the Board of Directors, as well as in accordance with the new organizational chart of the company, approved in the same Board of Directors' meeting. At the time of the announcement, Mr Florin-Daniel Gavrilă holds the position of Investment Department Director within Lion Capital.

At the same time, the signing of a delegation of powers contract (mandate) with Mr Florin-Daniel Gavrilă was approved for a period of 4 years, starting from November 15, 2023, and valid until November 15, 2027.

The specific duties of the new director's mandate will be exercised by Mr Florin-Daniel Gavrilă only after obtaining the approval decision issued by ASF. By authorization no. 34/March 22, 2024, ASF approved Lion Capital's request to authorize the significant changes that formed the basis for the company's authorization, following the appointment of Mr Florin-Daniel Gavrilă as Director.

Ordinary General Meeting of Shareholders of October 26, 2023

On September 18, 2023, the Board of Directors of the company convened, pursuant to Art. 117 of Law no. 31/1990, the Ordinary General Meeting of Shareholders ("OGM") for October 26 (27), 2023, at the company's headquarters in Arad.

The main topic on the agenda of the meeting was the *appointment of the financial auditor, setting the duration of the financial audit contract, and authorizing the Board of Directors to negotiate and conclude the audit contract.*

Starting from September 26, 2023, the informative materials related to the topics on the agenda, the draft resolutions to be approved by the general meeting, and voting forms were made available to shareholders, accessible on the internet at www.lion-capital.ro, as well as at the Lion Capital headquarters in Arad and at the branch office in Bucharest.

Held on October 26, 2023, at the first call, the OGM approved by Resolution no. 3, the appointment of Deloitte Audit S.R.L as financial auditor, extending the existing mandate for a period of 2 (two) years, and empowering the board of directors to negotiate and conclude the audit contract regarding the audit of the separate and consolidated financial statements for the financial years ended on December 31, 2024, and December 31, 2025, with effect after ASF approval, in accordance with the provisions of Article 21, paragraph a) of ASF Regulation no. 13/2019 regarding the unified framework for conducting statutory audits at entities authorized, regulated, and supervised by ASF.

Approval of Extension of the Maximum Auditing Period

Lion Capital informed the investors in the current report dated November 23, 2023, that, by Decision no. 1230/22.11.2023, the Financial Supervisory Authority has approved the extension by two years of the maximum auditing period of 5 consecutive years for the financial statements for the years 2024 and 2025 of Lion Capital S.A., by the current financial auditor Deloitte Audit S.R.L.

The ASF Decision no. 1230/22.11.2023 came into effect on the date of its communication to Lion Capital S.A. and was published in the ASF Bulletin in electronic form.

Authorization of Company Director

By Authorization no. 163/29.12.2023, the Financial Supervisory Authority has authorized Mr Laurențiu Riviș as a director of Lion Capital S.A., for a term valid until 24.02.2026.

ASF Authorization no. 163/29.12.2023 was issued under the provisions of Article II of ASF Regulation no. 20/2021. This regulation mandated regulated entities to submit documentation to the Financial Supervisory Authority, as stipulated in Article 30 par. (1) of ASF Regulation no. 1/2019, required for verifying whether the persons designated in the executive management before January 1, 2016, met the individual suitability requirements specified by the Financial Supervisory Authority.

Mr Laurențiu Riviș was appointed by the Board in the executive management of the company on November 27, 2015, and by Endorsement no. 75/25.02.2016 he was approved by ASF as director of SIF Banat-Crișana S.A. (currently Lion Capital S.A.).

ASF Authorization no. 163/29.12.2023 came into effect on December 29, 2023, the date of its communication to Lion Capital S.A., and was be published in the ASF Bulletin in electronic form.

The information was brought to the attention of the interested public through the current report published by Lion Capital on January 3, 2024.

6. Events After the Reporting Period

Disclosure Document Concerning the Shares Offered to the Members of the Management Structure

Lion Capital S.A. informed the shareholders in the current report dated February 6, 2024, that, based on the resolutions adopted by the Extraordinary General Meeting of the Shareholders of the Company of April 27, 2023, as follows:

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

- EGM Resolution no. 5/27.04.2023, approving:
(i) the use of shares purchased under the Buyback Program 7 for their distribution free of charge to members of the company's management (administrators, directors), in a share based payment plan of a "Stock Option Plan" type;
(ii) the empowerment of the Board of Directors of the Company to take all necessary measures and to fulfil all the formalities required for the approval and implementation of the share-based payment plan of a "Stock Option Plan" type;

Lion Capital's Board of Directors approved on February 5, 2024, the offer, free of charge, of a total of 990,000 shares, to the members of the management structure, under a share-based payment plan of a "Stock Option Plan" type. The vesting (transfer of shares) will occur upon the fulfilment of the conditions outlined in the "Stock Option Plan" and upon the exercise of the option by each beneficiary, following a 12-month period from the signing of the payment agreements.

The disclosure document concerning the shares offered or allotted to members of Lion Capital's management structure, prepared as per EU Regulation no. 1129/2017 and ASF Regulation no. 5/2018, was published alongside the current report issued by the company.

Notification Under art. 71 par. (1) of Law 24/2017

Lion Capital informed the shareholders in the current report dated February 9, 2024, upon the receiving on February 8, 2024, of - *Notification of change in ownership threshold in Lion Capital as per art. 71 par. (1) of Law no. 24/2017(R) and ASF Regulation no. 5/2018 (Annex 18)* from the shareholder Infinity Capital Investments S.A.
The Notification received was published alongside the current report issued by the company.

Sale of Azuga Turism S.A. Shares

Lion Capital S.A. informed the investors that on February 19, 2024, the Board of Directors of Lion Capital S.A. approved the complete sale to the company Electric Planners SRL of the entire stake owned, consisting of 786,882 shares, representing 98.9354% of the share capital of Azuga Turism S.A., with registered office in the Town of Azuga, no. 3 Sorica Str., Plot 3, Hotel Azuga Ski & Bike Resort, Prahova county, registered with the Trade Registry Office attached to Prahova Tribunal under no. J29/2285/2020, having the unique registration code 28330211.

Also, on February 19, 2024, the contract for the sale of the 786,882 shares owned by Lion Capital S.A. was concluded, at a minimum price of EUR 8,990,000, with the buyer paying an advance of EUR 1,500,000 upon signing the contract. The price difference will be paid by the buyer in three instalments, with the final instalment due on 31.03.2026, and the buyer will also pay a remunerative interest of 7% per annum.

Lion Capital will inform the investors of any significant developments that may arise during the transaction, if applicable.

Publication of Preliminary Financial Results for FY 2023

On February 29, 2024, Lion Capital published the preliminary financial results for the year ended December 31, 2023, prepared in accordance with IFRS, through communication in the market (BVB/BSE) and posting on the Company's website at www.lion-capital. ro.

Completion of Share-based Payment Plan

By current report dated March 15, 2023, Lion Capital informed the shareholders that upon completing the term of 12 months from the signing of the share-based payment agreements, by which 990,000 shares issued by the Company were offered to the members of Company’s management, as per the resolutions no. 5 and no. 6 adopted by the EGM of April 28, 2022, the members of the management structure exercised their right to receive a number of 990,000 LION shares, representing 0.1951% of the current share capital.

On March 14, 2024, Depozitarul Central (Central Depository) carried out the direct transfer of shares in accordance with the regulations in force, and the information provided in art. 19 of Regulation (EU) 596/2014 EU will be made available on company's website in the *Investor Relation* section.

As there were no changes in the *“Disclosure Document Concerning the Shares Offered or Allotted”* initially published (by current report dated March 13, 2023), the current report dated March 15, 2024, represented the *“Disclosure Document Concerning the Shares Allotted”*, within the meaning of the provisions of Regulation (EU) 2017/1129 and ASF Regulation no. 5/2018.

7. Proposals of the Board of Directors

Given this report, the Board of Directors submits for approval of the Ordinary General Meeting of Shareholders convened for April 29 (30), 2024:

1. The standalone financial statements as of December 31, 2023, prepared pursuant to International Financial Reporting Standards adopted by the European Union and ASF Rule no. 39/2015, including:

- Standalone statement of profit or loss and other comprehensive income
- Standalone statement of financial position
- Standalone statement of changes in equity
- Standalone statement of cash flows
- Notes to the standalone financial statements

2. The proposal for the allocation of the net profit for the financial year ended December 31, 2023.

The frailty of the domestic economic environment, the atypical electoral context, the risk of increasing taxation in order to reduce internal macroeconomic imbalances, may determine the emergence of periods of volatility in the local capital market. To be able to absorb more easily potential shocks on capital markets, but also to benefit from such short periods of volatility, the Board of Directors of Lion Capital S.A. proposes for approval of the General Meeting of Shareholders not to distribute dividends and to maintain a capitalization level of the Company as high as possible.

The Board of Directors proposes to the General Meeting of Shareholders the approval of allocating the net profit for 2023, amounting to RON 417,255,132, to Other reserves as own funding sources.

3. Discharge from liability of the Board of Directors for the activity carried out during the financial year 2023.

This report is accompanied by the following annexes:

ANNEX 1	Separate Financial Statements as of December 31, 2023, prepared pursuant to International Financial Reporting Standards adopted by the European Union and ASF Norm no. 39/2015
ANNEX 2	Statement of Lion Capital's assets and liabilities as of December 31, 2023, and the detailed statement of investments (as per Annexes no. 10 and 11 to Regulation no. 7/2020)
ANNEX 3	Compliance with the Code of Corporate Governance issued by Bucharest Stock Exchange (BVB)
ANNEX 4	Statement on the compliance with the principles of corporate governance as per ASF Regulation no. 2/2016
ANNEX 5	Annual Report of the Nomination and Remuneration Committee
ANNEX 6	Lion Capital's Remuneration Report for 2023
ANNEX 7	Amendments to the Articles of Association in 2023

The version prepared in Romanian of the Annual Report of the Board of Directors (which is the official and binding version) was approved by the Board of Directors of Lion Capital in the meeting held on March 27, 2024.

Bogdan-Alexandru DRĂGOI
Chairman of the Board of Directors

LION CAPITAL S.A.

Separate financial statements
as at 31 December 2023

Prepared in accordance with the International Financial Reporting standards adopted by the European Union and the Financial Supervisory Authority's Norm of 39/28 December 2015 for the approval of accounting regulations in accordance with International Financial Reporting standards, applicable to entities authorized, regulated and supervised by the FAS in the financial instruments and investment sector, as amended and supplemented

Contents

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
Lion Capital S.A.

Report on the Audit of the Separate Financial Statements

Opinion

1. We have audited the separate financial statements of Lion Capital S.A. ("the Company"), with registered office in Calea Victoriei, no. 35 A, Arad, Romania identified by unique tax registration code RO 2761040, which comprise the separate statement of financial position as at December 31, 2023, and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

2. The financial statements as at December 31, 2023 are identified as follows:

• Equity	RON	4,100,371,784
• Net profit for the financial year	RON	417,255,132

3. In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2023, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU") and applying Financial Supervisory Authority ("FSA") Norm no. 39/28 December 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorized, regulated and supervised by the FSA - Financial Investments and Instruments Sector, with subsequent amendments (referred to herein as "FSA Norm no. 39/2015").

Basis for Opinion

4. We conducted our audit in accordance with International Standards on Auditing (ISAs), Regulation (EU) No. 537/2014 of the European Parliament and the Council (herein after referred to as "the Regulation") and Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements (herein after referred to as "the Law 162/2017". Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), in accordance with ethical requirements relevant for the audit of the financial statements in Romania including the Regulation and the Law 162/2017 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the matter</th></tr>
<tr><td>Valuation of equity investments

We refer to note 15 and 16 to the separate financial statements, which presents the investments in financial assets at fair value, including equity investments representing shares held by the Company. As at December 31, 2023, these equity investments represent approximately 79% of the total assets of the Company.

Equity investments presented to Level 3 of the fair value hierarchy represent RON 1.09 billion and consist of participations held by the Company in unlisted or listed but not liquid, Romanian companies.

The determination of fair value presented to Level 3 equity investments has been performed on the basis of valuation models using financial information of the valued companies available prior to 31 December 2023, which involves significant judgments and a high degree of estimates.

These reports were performed by independent valuers appointed by the Company's management and by authorized in-house valuers of the Company. The management of the Company performed an analysis for the period following the date of the valuation of the participations until 31 December 2023 in order to identify significant changes in the fair values of equity investments as at 31 December 2023.

This was a key area of focus in our audit due to the significance of the amounts involved, the complexity involved in valuing these investments, the significance of the judgments and estimates included in the valuation, as well as the reflection of the changes in fair value in the separate financial statements.</td><td>In order to address the key audit matter, our audit focus was to assess relevant controls over the valuation process of equity investments at fair value. Our analysis of the design and implementation of the relevant controls provided a basis for us to establish the planned nature, timing and extent of our detailed audit procedures.

For the significant listed equity investments, we have evaluated the Company's analyzes and policies regarding trading frequency to identify securities that do not have an active market. For significant listed equity investments within Level 1 of the fair value hierarchy, we assessed the accuracy of the capital market closing price of the shares as of 31 December 2023 or the last available trading day at the end of the reporting period.

For a sample of equity investments with a fair value presented to Level 3 determined by us, whose fair value was determined by using valuation models that include significant valuation assumptions, we involved our own internal valuation specialists, who assessed the valuation methodology, significant assumptions and unobservable inputs used by the valuers and their professional competence and independence from the Company.

We have assessed the Company Management's analyses for the period following the date of the valuation reports until December 31, 2023, in order to identify significant events which may have a significant impact on the fair value of equity investments as at 31 December 2023.

We have also assessed the mathematical accuracy of the significant changes in fair value that have been reflected in the separate financial statements.

We have also considered whether the separate financial statements appropriately reflect all the material disclosures in relation to equity investments according to the accounting policies of the Company and IFRS 13 Fair Value Measurement ("IFRS 13") requirements. In this regard, we assessed the presentation of the material information on fair value hierarchy policy and disclosures regarding significant unobservable and observable inputs in accordance with disclosures of IFRS 13.</td></tr>
</table>

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Other information

6. The administrators are responsible for the preparation and presentation of the other information. The other information comprises the Separate Administrators' report and the Remuneration Report but does not include the separate financial statements and our auditor's report thereon.

   Our opinion on the separate financial statements does not cover the other information and, unless otherwise explicitly mentioned in our report, we do not express any form of assurance conclusion thereon.

   In connection with our audit of the separate financial statements for the year ended December 31, 2023, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   Other responsibilities of reporting with respect to other information – Separate Administrators' report

   With respect to the separate Administrators' report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 8-13.

   On the sole basis of the procedures performed within the audit of the separate financial statements, in our opinion:

   a) the information included in the Separate Administrators' report, for the financial year for which the separate financial statements have been prepared is consistent, in all material respects, with these separate financial statements.

   b) the Separate Administrators' report has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 8-13.

   Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the separate financial statements prepared as at December 31, 2023, we are required to report if we have identified a material misstatement of this Separate Administrators' report. We have nothing to report in this regard.

   Other reporting responsibilities with respect to other information – Remuneration report

   With respect to the Remuneration report, we read it to determine if it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of Law 24/2017 regarding the issuers of financial instruments and market operations, republished. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

7. Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applying FSA Norm no. 39/2015 and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Separate Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of separate the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

Requirements for audits of public interest entities

15. We were appointed by the General Meeting of Shareholders on 11 October 2021 to audit the separate financial statements of Lion Capital S.A. for the financial years ended December 31, 2022 and December 31, 2023. The uninterrupted total duration of our commitment is five years, covering the financial years ended December 31, 2019 until December 31, 2023.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.

- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

The engagement partner on the audit resulting in this independent auditor's report is Irina Dobre.

Report on compliance with Law no. 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

16. We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017 and Commission Delegated Regulation (EU) 2019/815 applicable to the separate financial statements included in the annual financial report of Lion Capital S.A. ("**the Company**") as presented in the digital file which contains the unique code ("LEI") 254900GAQ2XT8DPA7274 ("**Digital Files**").

(i) Responsibilities of Management and Those Charged with Governance for the Digital Files prepared in compliance with ESEF

Management is responsible for preparing the Digital Files that comply with ESEF. This responsibility includes:

- the design, implementation and maintenance of internal controls relevant to the application of ESEF;

- ensuring consistency between the Digital Files and the separate financial statements to be submitted in accordance with FSA Norm 39/2015.

Those charged with governance are responsible for overseeing the preparation of the Digital Files that comply with ESEF.

(ii) Auditor's Responsibilities for the Audit of the Digital Files

Our responsibility is to express a conclusion on whether the separate financial statements included in the annual financial report complies in all material respects with the requirements of ESEF based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

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Our firm applies International Standard on Quality Management 1 ("ISQM1"), and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in ESEF, whether due to fraud or error. A reasonable assurance engagement includes:

- obtaining an understanding of the Company's process for preparation of the digital files in accordance with ESEF, including relevant internal controls;
- reconciling the digital files with the audited separate financial statements of the Company to be submitted in accordance with FSA Norm 39/2015;
- evaluating if the separate financial statements contained in the annual report have been prepared in a valid XHTML format.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion, the separate financial statements for the year ended 31 December 2023 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the separate financial statements. Our audit opinion relating to the separate financial statements of the Company for the year ended 31 December 2023 is set out in the "Report on the audit of the separate financial statements" section above.

Irina Dobre, Audit Partner

For signature, please refer to the original Romanian version.

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under AF 3344

On behalf of:

DELOITTE AUDIT SRL

Registered in the Electronic Public Register of Financial Auditors and Audit Firms under FA 25

The Mark Building, 84-98 and 100-102 Calea Griviței, 9th Floor, District 1
Bucharest, Romania
March 28, 2024

Individual statement of profit or loss and other comprehensive income
for the financial year ended 31 december 2023

In ROL	***Note***	**31 december 2023**	**31 december 2022**
Revenue			
Income from dividends	*7*	151.903.565	166.188.008
Interest income (related to assets at fair value through other comprehensive income, depreciated cost assets)	*8*	5.800.174	2.991.738
Interest income (related to assets at fair value through profit and loss)	*8*	8.489.389	5.717.828
Other operating income		85.242	18.619
Investment gain/loss			
Gain / (loss) from investments in real estate	*9*	1.400.035	10.042
Gain /(loss) from exchange rate differences		1.165.018	(20.400)
Profit/loss on financial assets at fair value through the profit and loss account	*10*	294.280.842	(47.386.144)
Expenses			
Restatement/adjustments for other assets		-	566.018
Commission expenses	*11*	(5.068.294)	(4.350.043)
Other operational expenditure	*12*	(22.458.631)	(20.609.717)
Profit before tax		**435.597.340**	**103.125.949**
Income tax	*13*	(18.342.208)	(7.658.801)
Net profit of the financial year		**417.255.132**	**95.467.148**
Other comprehensive income			
Items that are or may be transferred in profit or loss			
Amounts that can be transferred to profit and loss (debt instruments)		-	(65.463)
Items that are or may be transferred to retained earnings			
Change in fair value for financial assets measured through other comprehensive income	*16*	512.870.764	(283.620.973)
The effect of their deferred tax on profit		(70.239.838)	43.396.254
Other comprehensive income		**442.630.926**	**(240.290.182)**
Total overall result for the period		**859.886.058**	**(144.823.034)**
The result per share			
Basic		0,8222	0,1881
Diluted		0,8222	0,1881

The individual financial statements were approved by the Management Board on 27 March 2024 and signed on its behalf by:

Bogdan-Alexandru Dragoi
Chairman,

Dusu Bogdan
Chief Financial Officer

The individual statement of financial position
for the financial year ended 31 december 2023

In ROL	***Note***	**31 december 2023**	**31 december 2022**
Assets			
Cash and cash equivalents	*14*	408.814.516	26.615.152
Other financial assets	*18*	730.106	12.834.480
Other assets		317.634	328.155
Financial assets measured at fair value through the profit and loss account	*15*	1.900.476.975	1.723.810.844
Financial assets measured at fair value through other comprehensive income (shares)	*16*	1.977.331.822	1.624.523.020
Assets representing rights to use the underlying assets under the lease		227.961	476.645
Investments in real estate	*9*	14.363.411	12.963.376
Tangible assets	*17*	3.523.737	3.711.480
Total assets		**4.305.786.163**	**3.405.263.152**
Liabilities			
Dividends to be paid		9.886.856	10.042.310
Other financial liabilities	*18*	12.402.436	15.038.374
Other liabilities and income recorded in advance		13.593	251.682
Lease liabilities		258.500	530.880
Deferred tax liabilities	*29*	182.852.994	136.546.721
Total liabilities		**205.414.379**	**162.409.967**
Equity			
Share capital	*20*	50.751.006	50.751.006
Own shares	*20*	(2.494.800)	-
Losses on the repurchase of own shares		(31.973)	-
Benefits in equity instruments		2.159.850	2.000.537
Other reserves	*20*	1.699.567.034	1.604.099.887
Reserves from the revaluation of tangible assets		1.176.569	1.176.569
Legal reserves	*20*	10.150.201	10.150.201
Reserves from the revaluation of financial assets designated at fair value through other comprehensive income	*16, 20*	1.095.404.908	741.827.359
Retained earnings	*20*	1.243.688.988	832.847.626
Total equity		**4.100.371.784**	**3.242.853.185**
Total liabilities and equity		**4.305.786.163**	**3.405.263.152**

The individual financial statements were approved by the Management Board on 27 March 2024 and signed on its behalf by:

Bogdan-Alexandru Dragoi
Chairman,

Dusu Bogdan
Chief Financial Officer

The individual statement of changes in equity *for the financial year as at 31 December 2023*

In ROL	Share capital	Own shares	Losses on the asset-liability management	Legal reserves	Restatement financial assets designated at fair value through other comprehensive income	Reserves from the revaluation of tangible assets	Gains or (-) loss on financial assets and liabilities held for trading, net	Other reserves	Retained earnings	Total
Balance as at 1 January 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 for the financial year	-	-	-	-	-	-	-	-	417.255.132	417.255.132
The revaluation reserve of financial assets transferred to the profit and loss account	-	-	-	-	-	-	-	-	-	-
The revaluation reserve of financial assets transferred to retained earnings	-	-	-	-	(106.766.363)	-	-	-	106.766.363	-
The variation in the reserve	-	-	-	-	512.870.764	-	-	-	-	512.870.764
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred income tax	-	-	-	-	(52.526.852)	-	-	-	(17.712.986)	(70.239.838)
Total overall result for the period	**-**	**-**	**-**	**-**	**353.577.549**	**-**	**-**	**-**	**506.308.509**	**859.886.058**
Other reserves - own resources	-	-	-	-	-	-	-	95.467.147	(95.467.147)	-
Dividends to be paid	-	-	-	-	-	-	-	-	-	-
Prescribed dividends	-	-	-	-	-	-	-	-	-	-
Profit or loss from the financial year	-	-	-	-	-	-	2.376.913	-	-	2.376.913
Repurchase of own shares	-	(4.712.400)	(60.393)	-	-	-	-	-	-	(4.772.793)
Cancel your own shares	-	2.217.600	28.420	-	-	-	(2.217.600)	-	-	28.420
Total transactions with shareholders recognized directly in equity	**-**	**(2.494.800)**	**(31.973)**	**-**	**-**	**-**	**159.313**	**95.467.147**	**(95.467.147)**	**(2.367.460)**
Balance as at 31 December 2023	**50.751.006**	**(2.494.800)**	**(31.973)**	**10.150.201**	**1.095.404.908**	**1.176.569**	**2.159.850**	**1.699.567.034**	**1.243.688.988**	**4.100.371.784**

The individual financial statements were approved by the Management Board on 27 March 2024 and signed on its behalf by:

Bogdan-Alexandru Dragoi
Chairman,

Dusu Bogdan
Chief Financial Officer

The individual statement of changes in equity *for the financial year as at 31 December 2023*

In ROL	Share capital	Own shares	Losses on the asset-liability management	Legal reserves	Restatement financial assets designated at fair value through other comprehensive income	Reserves from the revaluation of tangible assets	Gains or (-) loss on financial assets and liabilities held for trading, net	Other reserves	Retained earnings	Total
Balance as at 1 January 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 for the financial year	-	-	-	-	-	-	-	-	95.467.148	95.467.148
The revaluation reserve of financial assets transferred to the profit and loss account	-	-	-	-	-	-	-	-	-	-
The revaluation reserve of financial assets transferred to retained earnings	-	-	-	-	(2.119.796)	-	-	-	2.119.796	-
The variation in the reserve	-	-	-	(158.246)	(283.698.905)	-	-	-	158.246	(283.698.905)
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred income tax	-	-	-	-	43.220.735	-	-	-	187.988	43.408.723
Total overall result for the period	**-**	**-**	**-**	**(158.246)**	**(242.597.966)**	**-**	**-**	**-**	**97.933.178**	**(144.823.034)**
Other reserves - own resources							-	356.550.501	(356.550.501)	**-**
Dividends to be paid	-	-	-	-	-	-	-	-	(30.450.603)	(30.450.603)
Prescribed dividends	-	-	-	-	-	-	-	-	-	-
Profit or loss from the financial year	-	-	-	-	-	-	2.000.537	-	-	2.000.537
Repurchase of own shares	-	-	-	-	-	-	-	-	-	-
Cancel your own shares	(791.230)	21.363.229	330.998	-	-	-	-	(2.028.651)	(18.874.346)	-
Total transactions with shareholders recognized directly in equity	**(791.230)**	**21.363.229**	**330.998**	-	-	-	**2.000.537**	**354.521.850**	**(405.875.450)**	**(28.450.066)**
Balance as at 31 December 2022	**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**

The individual financial statements were approved by the Management Board on 27 March 2024 and signed on its behalf by:

Bogdan-Alexandru Dragoi
Chairman,

Dusu Bogdan
Chief Financial Officer

Individual cash flow statement

for the financial year ended 31 december 2023

In ROL	***Note***	**31 december 2023**	**31 december 2022**
Operating activities			
Net profit of the period		**417.255.132**	**95.467.148**
Adjustments for:			
Depreciation of tangible and intangible assets		526.264	553.220
(Gain)/loss on disposal of tangible assets		-	-
(Gain)/loss on the measurement of investments in real estate		(1.400.035)	(10.042)
(Gain)/loss on financial assets at fair value through the profit and loss account		(294.280.842)	47.386.144
Income from dividends	*7*	(151.903.565)	(166.188.008)
Interest income	*8*	(14.289.563)	(8.709.566)
Interest expense on the lease liability		22.234	37.655
(Gains) / loss on financial assets and liabilities at fair value through profit or loss		(136.295)	(1.344.661)
(Gains) / loss on financial assets and liabilities held for trading, net		2.315.317	2.000.537
Income tax	*13*	18.342.208	7.658.801
Changes in the assets and liabilities associated with the operating activity			
Changes in other assets (claims, etc.)		109.301	(1.394.848)
Changes in other financial liabilities		(675.389)	4.438.258
Income tax paid		(19.871.237)	-
Net cash used in operating activities		**(43.986.470)**	**(20.105.363)**
Investment activities			
Payments for the purchase of financial assets measured at fair value through other comprehensive income (shares, bonds)	*16*	(23.748.220)	(357.337.857)
Proceeds from the sale of financial assets measured at fair value through other comprehensive income (shares, bonds)	*16*	183.810.181	8.378.030
(Investments)/deposits received over 3 months		-	79.198.863
Proceeds from the sale/redemption of assets at fair value through the profit and loss account (shares, units, bonds)	*15*	168.740.454	27.193.910
Payments for the acquisition of fair value assets through the profit and loss account (units of fund, bonds, shares, loan)	*15*	(56.689.483)	(115.657.463)
Proceeds from the sale of property, plant and equipment		464.057	-
Payments for the acquisition of tangible assets		(73.588)	(231.500)
Dividends received		146.223.963	159.092.059
Interest earned		12.674.637	5.452.918
Net cash from investment activities		**431.402.001**	**(193.911.040)**
Financing activities			
Lease payments		(287.920)	(295.131)
Dividends paid		(155.454)	(19.199.846)
Repurchase of own shares		(4.772.793)	-
Net cash used in financing activities		**(5.216.166)**	**(19.494.976)**
Net increase/decrease in cash and cash equivalents		**382.199.364**	**(233.511.378)**
Cash and cash equivalents on 1 January		26.615.152	260.126.530
Cash and cash equivalents as at 31 December		**408.814.516**	**26.615.152**

The individual financial statements were approved by the Management Board on 27 March 2024 and signed on its behalf by:

Bogdan-Alexandru Dragoi
Chairman,

Dusu Bogdan
Chief Financial Officer

Notes on individual financial statements

for the financial year ended 31 december 2023

The reporting entity

Lion capital SA (new name of SIF Banat-Crisana S.A. of 24 March 2023) ('the company') was established under Law No 133/1996 by the reorganization and conversion of the Banat-Crisana private property Fund and is a public limited company operating under Law No 31/1990. The company is established as a self-managed investment company authorized by the Financial Supervisory Authority as alternative Investment Fund Manager (AIFM) - authorization No 78/09.03.2018, classified according to the provisions of Law No 243/2019 as a closed, diversified alternative Investment Fund for retail investors (FIAIR). The Financial Supervisory Authority has issued authorization No 130/01.07.2021 authorizing Lion capital S.A. as an alternative Investment Fund for retail investors (F.I.A.).
The company also draws up consolidated financial statements as the ultimate parent for the group entities.
Lion capital S.A. has its registered office in Arad, Calea Victoriei, nr. 35 A, Arad county, code 310158, tel: 0257.304.438, Fax: 0257.250.165. The registration number from the Office of the Register of Commerce is: J02/1898/1992, and the unique Code of tax registration is: RO 2761040.
The objects of the company are:

- portfolio management;
- risk management;
- other activities carried out in the framework of the collective management of an investment fund, permitted by applicable law.

The company's shares are listed on the Bucharest stock Exchange with effect from 1 November 1999 and are traded on the regulated market in Premium category with the indication of lion.
The company's depository company, since 28.11.2019, has been the Romanian commercial Bank (BCR), until that date (since 29.01.2014) being BRD Groupe Société Générale.
The register services company is the Central depository OF THE BUCHAREST CENTRAL SA.

The bases of the preparation

(A) the Declaration of conformity

The separate financial statements have been prepared in accordance with the International Financial Reporting standards (IFRSs) adopted by the European Union and the Financial Supervisory Authority (FSA) Regulation No 39/28 December 2015 for the approval of accounting regulations in accordance with International Financial Reporting standards, applicable to authorized entities, Regulated and supervised by the ASF in the financial instruments and investment sector, as amended and supplemented thereafter (hereinafter referred to as 'the rule ') .
Users of such separate financial statements shall read these statements together with the consolidated financial statements of the Group for the year ended 31 December 2023 in order to obtain full information about the financial position, the results of the operations and the cash flows of the group as a whole.
The individual financial statements were approved by the Board of Directors at its meeting on 27 March 2024.

- ***Reporting by segment***

Business segments are reported in a manner compatible with internal reporting, analyzed by the main decision maker of the company (board of directors). He is responsible for resource allocation and evaluation of performance of operational segments. Reporting segments whose income, result or assets are ten or more percent of all segments are reported separately. The company manages all activities as a single Reportable segment of activity.

(B) The presentation of separate financial statements

The company has adopted a liquidity-based presentation in the statement of financial position and a presentation of income and expenses by nature in the statement of comprehensive income, Considering that these presentation methods provide information that is credible and more relevant than would have been disclosed under other methods permitted by IAS 1 presentation of Financial statements.

(c) The basis for the assessment

The separate financial statements are prepared on the basis of the business continuity principle and the fair value agreement for financial assets and liabilities, at fair value through the profit and loss account or other comprehensive income.
Other financial assets and liabilities, as well as non-financial assets and liabilities, are shown at amortized cost, revalued value or historical cost.
The methods used to measure fair value are described in Note 3(e)(iii) and Note 5.

(D) functional and presentation currency

The management of the company considers the functional currency, as defined by IAS 21 ‘effects of changes in the exchange rate’, to be the Romanian leu (RON or lei). The individual financial statements are presented in lei, rounded to the nearest leu, the currency which the management of the company has chosen as the presentation currency.

(E) The use of estimates and judgments

The preparation of individual financial statements in accordance with IFRS requires management to use estimates, judgments and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. The estimates and assumptions associated with these judgments shall be based on historical experience as well as other factors considered reasonable in the context of those estimates. The results of these estimates shall form the basis for judgments on the book values of assets and liabilities that cannot be obtained from other sources of information. The results obtained may differ from the estimates.
The estimates and the underlying assumptions shall be reviewed periodically. Revisions to accounting estimates shall be recognized in the period in which the estimate is revised, if the revision only affects that period, or the period in which the estimate is revised, and future periods if the revision affects both current and future periods.
Management judgments in applying IFRS that have a material effect on the individual financial statements as well as estimates that involve a material risk of a material adjustment during the next year are presented in Note 5.

(F) changes in accounting policies

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

Notes on individual financial statements

for the financial year ended 31 december 2023

Material accounting policies

The accounting policies presented below have been applied consistently over all periods presented within these separate financial statements.
The company adopted *the presentation of accounting policies* (amendments to IAS 1) as of 1 January 2023. The changes require the presentation of "material" rather than "material" accounting policies.

(A) subsidiaries and associates

Subsidiaries are entities under the control of the company. The company controls an investee when exposed or has rights to variable returns from its involvement with the investee and has the ability to influence those returns through its power over the investee. Potential or convertible voting rights that are then exercisable shall also be taken into account at the time of the valuation of the control.
Associates are those companies in which the company can exercise significant influence, but not control, over financial and operational policies.
The list of subsidiaries and the list of associated entities as at 31 December 2023 and 31 December 2022 are set out in Note 26 to the separate financial statements.
In separate financial statements, investments in subsidiaries and associates are accounted for as financial assets at fair value through the profit or loss account in accordance with accounting policy 3e), except for consolidated subsidiaries (Muntenia Investment Management Company and real Estate Administration).

(B) transactions in foreign currency

Transactions denominated in foreign currency are recorded in lei at the official exchange rate on the settlement date of the transactions. The currency assets and liabilities recorded in currencies at the date of the statement of financial position shall be converted into a functional currency at the rate of that day. Gains or losses on monetary items are the difference between the amortized cost expressed in functional currency at the beginning of the reporting period, adjusted with effective interest and payments over the period, and the cost amortized into foreign currency converted into functional currency at the closing rate of the period.

Settlement gains or losses are recognized in the profit and loss account, except where the exchange differences arise from the translation of financial instruments classified as measured at fair value through other comprehensive income that is included in the reserve arising from the change in the fair value of those financial instruments, and where the exchange differences arise from the carrying amount of financial instruments classified at fair value through profit or loss that are presented as fair value gains or losses.

The exchange rates of the main foreign currencies were:

Currency	Spot rate 31 december 2023	Spot rate 31 december 2022
EUR	4,9746	4,9474
USD	4,4958	4,6346

(c) cash and cash equivalents

Cash comprises cash in cash and at banks and deposits on demand.
Cash equivalents are highly liquid short-term financial investments which are easily convertible into cash and which are subject to an insignificant risk of value changes.
When drawing up the cash-flow statement, cash and cash equivalents were considered to be cash, cash, current accounts with banks and deposits with an original maturity of less than 90 days.

(d) financial assets and liabilities

Financial instruments in accordance with IFRS 9 include the following:

- Investments in equity instruments (e.g. shares);

On 31 December 2023 and 31 December 2022 the shares are measured at fair value through profit or loss or at fair value through other comprehensive income.

- Investments in debt instruments (e.g. securities, bonds, loans);

On 31 December 2023 and 31 December 2022 investments in debt instruments held are measured at fair value through profit.

- Trade receivables and other receivables;
- Cash and cash equivalents;
- Participating interests in subsidiaries, associates and joint ventures;
- Financial liabilities.

For more details see the chapters below

i. Classification

The financial instruments held are disclosed by the company in accordance with IFRS 9 as financial assets and financial liabilities.
The company presents ***financial assets*** at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on:

(a) the business model of the entity for the management of financial assets; and
(b) the characteristics of the contractual cash flows of the financial asset.

The business model

- Is the way an entity manages its financial assets to generate cash flows: *Collection, sale of assets* , or *both, for trading* ;
- Its determination shall be made factually, having regard to: *How their performance is measured and reported ,* the existing risks *and how* they are managed, and *the way in which management is compensated* (based on fair value or cash flows associated with these investments);

The business model for holdings for which the FVTOCI option was selected at the transition date or initial recognition date

- the effective management of a diversified portfolio of quality assets capable of ensuring a steady flow of income, preserving and increasing capital over the medium to long term with the aim of increasing shareholder value and achieving the highest returns on invested capital
- The differentiated approach taken by the undertaking for each of its holdings aims at making an aggregate return resulting from dividend and capital gains.

Template of assets held for collection

- Managed to realize cash flows by collecting principal and interest over the life of the instrument;
- Holding up to maturity is not required;
- There are categories of sales transactions that are compatible with this model: Those due to increased credit risk, limited or insignificant sales in value terms or sales at close to maturity of the instruments;
- Interest income, impairment gains or losses and exchange rate differences are recognized in profit and loss;
- The carrying-out of these assets (assuming that the SPI criterion is also met and the option of fair value through profit or loss has not been selected) shall be at amortized cost (using the effective interest method).

Template of assets held for collection and sale

- Managed both to realize cash flows from collection and through the (full) sale of assets;
- The sales are of high frequency and value compared to the previous model, without any specific threshold for the assignment to this model being specified;
- The purpose of these sales may be: Managing current liquidity needs, mentioning a specific structure of returns obtained or decisions to optimize the balance sheet of the entity (linking the duration of the financial assets to that of the financial liabilities);
- The carrying-out of these assets (assuming that the SPI criterion is also met and the fair value option through profit and loss has not been selected) is at fair value through other comprehensive income (using the effective interest method; interest, impairment gains or losses 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 reclassified by profit and loss on the derecognition of the asset).

Other business model

- Assets managed for the purposes of cash flow through sale;
- The collection of the 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;
- The carrying amount of these investments shall be realized at fair value through the profit and loss account.

SPI test

It contains criteria that assess the extent to which the cash flow structure of a debt instrument fits into the pattern of a basic lending agreement (interest reflects the amount over time of money, the credit risk associated with the principal, the hedging of other risks and costs associated with lending, and a margin of profit).
There are a number of indicators that indicate whether the debt instruments held should be measured at fair value through profit and loss:

- Certain non-standard interest rates;
- the presence of leverage;
- some hybrid instruments (include an embedded derivative).

There are also indicators that, while requiring fair value reflection, may in certain circumstances be consistent with the SPPI criterion and those assets may still be accounted for at amortized cost:

- the existence of an option to early repayment or extend the term of the asset;
- unrecourse assets guaranteeing repayment of the debt;
- contractual-related instruments.

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

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income.

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

A financial asset, such as debt instruments, shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held under a business model whose objective is to collect contractual cash flows and sell financial assets; and
(b) the contractual terms of the financial asset give rise, on certain dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
The company may make an irrevocable choice on initial recognition for certain investments in *equity instruments* that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

Financial assets measured at amortized cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

(a) the financial asset is held under a business model whose objective is to hold financial assets to collect contractual cash flows; and
(b) the contractual terms of the financial asset give rise, on certain dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities

Financial liabilities are measured at fair value through profit or loss (FVTPL) if:

- "other financial liabilities" shall include the carrying amount of the financial assets held for trading, as defined in article 4
- Designated as FVTPL on initial recognition (if specific conditions are met).

The other financial liabilities are measured at amortized cost.

ii. Recognition

Financial assets and liabilities shall be recognized on the date on which the company becomes a contractual party to the terms of that instrument. When the company first recognizes a financial asset, it shall classify it in accordance with paragraphs 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 measure it in accordance with paragraphs 5.1.1–5.1.3. (a financial asset or financial liability is measured at its fair value plus, respectively, the transaction costs directly attributable to the acquisition or issue of the asset or liability.)

When initial recognition of an investment in equity instruments that is not held for trading, the company may irrevocably choose to present subsequent changes in fair value in other comprehensive income. This option applies to each instrument as appropriate.

At the date of transition to IFRS 9, shares that were classified as available for sale in accordance with IAS 39 were measured in accordance with IFRS 9 at fair value through other comprehensive income in the light of the specific circumstances. These securities are primarily held for the long term and have been designated as measured at fair value through other comprehensive income.

All financial assets that are not classified as measured at amortized cost or at fair value through other comprehensive income as described above shall be measured at fair value through profit or loss. In addition, at initial recognition, the company may irrevocably designate that a financial asset, which otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income, is measured at fair value through profit or loss, if this eliminates or significantly reduces an accounting mismatch that would arise if it were otherwise done.

iii. Assessment

After initial recognition, the entity shall measure financial assets:

a. The amortized cost;
b. Fair value through other comprehensive income; or
c. Fair value through profit or loss.

After initial recognition, the entity shall measure financial liabilities in accordance with IFRS 9. Thus, the company will classify all financial liabilities at amortized cost, except:

a. financial liabilities measured at fair value through profit or loss;
b. financial liabilities that arise where the transfer of a financial asset does not meet the conditions for derecognition;
c. Financial collateral arrangements, measured at the greater of the amount of the loss provision to the amount initially recognized less the cumulative income (IFRS 15);
d. Liabilities for the provision of a loan at an interest rate below the market value, measured at the higher of the amount of the loss provision to the amount initially recognized less the cumulative income (IFRS 15);
e. Contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

Fair value measurement

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured after initial recognition less principal repayments, plus or minus the accumulated depreciation using the effective interest method for each difference between the original value and the outstanding amount, and minus any write-down for any estimated credit losses.
The effective interest rate is the rate that accurately updates future cash payments and receipts over the expected life of the financial instrument up to the level of the gross carrying amount of the financial asset that is the amortized cost of the financial liability. When calculating the effective interest rate, the entity shall estimate the cash flows taking into account all contractual terms of the financial instrument, but shall not take into account future losses from the change in credit risk. The calculation shall include all commissions and points paid or received by the parties to the contract that form an integral part of the effective interest rate, transaction costs and all other premiums and discounts.

Fair value measurement

Fair value is the price that would have received when selling an asset or paid for the transfer of a liability in a normal transaction between main market participants at the measurement date or in the absence of the principal market, The most advantageous market to which the company has access on that date.
The company measures the fair value of a financial instrument using prices quoted on an active market for that instrument. A financial instrument has an active market if quoted prices are readily available for that instrument on a regular basis. The company measures the instruments quoted on active markets using the clearing price.
A financial instrument is considered to be quoted on an active market where quoted prices are immediately and regularly available from an exchange, dealer, broker, industry association, pricing service or regulatory agency, and these prices reflect real and regular transactions carried out under objective market conditions.
Shares listed on an active market are all those shares admitted to trading on the stock exchange or on the alternative market and presenting frequent transactions. The market price used to determine fair value shall be the close-out price of the market on the last trading day before the measurement date.
The fund units are valued on the basis of VUAN, calculated by the fund manager using closing quotes.

The government bonds are valued on the basis of the available market shares of Bloomberg for the issue, multiplied by the denomination per unit.
In the absence of a price quote on an active market, the company uses valuation techniques. The fair value of financial assets not sold on an active market is determined by authorized valuers.
Valuation techniques include techniques based on the use of observable inputs , such as the quoted price of the identical item held by another party as an asset, in a market that is not active and for assets for which observable prices are not available, valuation techniques based on discounted cash flow analysis, and other valuation methods commonly used by market participants. These include the method of comparison with similar instruments for which there is an observable market price, i.e. the percentage of the net assets of such undertakings, adjusted for a minority holding discount and a lack of liquidity discount) **,** making full use of market information, based as little as possible on company-specific information . The company shall use valuation techniques that maximize the use of observable data and minimize the use of unobservable data.
Valuation techniques shall be used consistently.

iv. The identification and valuation of the impairment value

The entity shall recognize an adjustment for expected credit losses on a financial asset that is measured in accordance with IFRS 9 (debt instruments measured at amortized cost or at fair value through other comprehensive income), a debt arising from a lease, a loan commitment and a financial collateral arrangement.
The entity applies the impairment requirements to recognize the adjustment for losses on assets measured at fair value through other comprehensive income (debt instruments that meet the criteria in IFRS 9 — assets held for the purpose of collecting cash flows and selling, whose cash flow is exclusively principal repayments or interest payments). The adjustment thus determined shall be recognized on the other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.
This is the total amount of technical provisions calculated as a whole (other than non-life) for life other than non-life (non-life), non-life (non-life).

- Expected credit losses for 12 months if credit risk has not increased significantly since initial recognition;
- The entity shall apply those requirements to the extent that it is recognized that the credit risk of the financial instrument is significant.

The company uses a simplified approach according to which it considers that credit risk has not increased significantly since initial recognition if the financial asset has a low credit risk at the reporting date and has an external rating of the "investment recommended category". On the basis of the information available, it was concluded that no events leading to a significant increase in credit risk or default events have taken place.

An entity shall recognize in profit or loss, as an impairment gain or loss, the amount of expected losses recognized or reversed, required to affect the adjustment for losses at the reporting date to the level required by IFRS 9.

The entity shall measure the expected credit losses of a financial instrument so that it represents:

- An unbiased value resulting from weighting several possible outcomes according to their associated probability;
- The amount of money over time;
- Reasonable information available without disproportionate cost or effort at the reporting date.

This is the absolute value of the liabilities sensitive to the spread risk on securitisation positions, after the loss adjustments due to the aggregation of the risk-free interest rate term positions, after the loss adjustments due to the aggregation of the risk-free interest rate term positions. A financial instrument shall be considered low risk if:

- The obligor has a large ability to meet obligations associated with short-term contractual cash flows;
- Adverse changes in the economic and business environment may, but need not, reduce the ability of the debtor to fulfill his obligations.

In the assessment of low credit risk for issuers, no collateral shall be taken into account. In addition, financial instruments are not considered to be low risk solely because they have a lower risk than other instruments issued by the obligor or in comparison to the credit risk prevailing in the geographical region or jurisdiction in which the obligor operates.

The company uses mainly available external credit risk ratings in its credit risk assessment.

The gain or loss on the disposal of a financial asset or financial liability measured at fair value through profit or loss is recognized in current profit or loss.

When recognizing equity instruments designated as financial assets measured at fair value through other comprehensive income, gains or losses representing favorable or unfavorable valuation differences as evidenced in revaluation reserves shall be recognized in other comprehensive income (Carrying amount of net realized surplus — IFRS 9).

When derecognition of financial assets, retained earnings from the date of transition to IFRS 9 shall be transferred to a retained earnings of excess profit.

A gain or loss on a financial asset that is measured at amortized cost is recognized in current profit or loss when the asset is derecognized.

v. Unrecognition

The company derecognizes a financial asset when the rights to receive cash flows from that financial asset expire, Or when the company transferred the rights to receive the contractual cash flows of that financial asset in a transaction in which it substantially transferred all the risks and benefits of the ownership.
Any interest in 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 are terminated or contractual obligations are written off or expire.
The derecognition of financial assets and liabilities shall be accounted for using the weighted average cost method. This method assumes that the value of each item is calculated on the basis of the weighted average value of similar items in stock at the beginning of the period and the value of similar items purchased during the period.

vi. Gains and losses

In the case of a financial asset or financial liability that is not a part of a hedging relationship, the entity shall recognize the fair value of the financial asset or financial liability that is recognized as follows:

a. Gains or losses on financial assets or financial liabilities classified as measured at fair value through profit or loss are recognized in profit or loss;
b. Gains or losses on a financial asset measured 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 foreign exchange) to other comprehensive income — these gains will never be recycled to the profit and loss account, even on derecognition (as opposed to FVOCI debt instruments)
- Dividend income is recognized in profit or loss

Gains on debt instruments (bonds):

- Changes in fair value (including foreign exchange) in the other profit and loss account
- Interest income is recognized in profit or loss
- Gains or (-) losses on financial assets and liabilities held for trading, net

When the asset is derecognized, accumulated losses or gains previously recognized in other comprehensive income:

- they are reclassified from equity to profit or loss in the case of debt instruments;
- they are transferred under retained earnings in the case of equity instruments (shares).

When the financial assets are depreciated or derecognized at amortized cost and through the amortization process, the company recognizes a gain or loss in the profit or loss account.
For financial assets recognized using settlement date accounting, no change in the fair value of the asset to be received during the period between the trading date and the settlement date is recognized for assets recorded at cost or at amortized cost (except impairment losses). For assets accounted for at fair value, however, the change in fair value shall be recognized in profit or loss or in equity, as applicable.

(e) other financial assets and liabilities

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

(f) tangible assets

i. ***Recognition and measurement***

Tangible assets recognized as assets are valued initially at cost. The cost of an item of property, plant and equipment shall consist of the purchase price, including recoverable taxes, after deduction of any price reductions of a commercial nature and any costs attributable directly to the asset being brought to the location and under the condition that it may be used for the desired management purpose, such as: expenses for employees arising directly from the construction or acquisition of the asset, site development costs, initial delivery and handling costs, installation and assembly costs, professional fees.
Tangible assets are classified by the company into the following classes of assets of the same nature and of similar use:

- Land and buildings;
- Technical installations and means of transport;
- Other equipment, machinery and furniture

Valuation after recognition

After recognition as an asset, items of property, plant and equipment that can be reliably measured in fair value are accounted for at a revalued amount, this being fair value at the revaluation date less any subsequent accumulated depreciation and any accumulated impairment losses. Other tangible assets are measured at cost less accumulated depreciation and any impairment losses.
Remeasurements shall be made regularly to ensure that the carrying amount does not differ significantly from what would have been determined by using fair value at the end of the reporting period.
If an item of property, plant and equipment is revalued, then the whole class of property, plant and equipment to which that item belongs shall be revalued.
If the carrying amount of an asset is increased as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity as a revaluation surplus.
However, the mark-up will be recognized in profit or loss to the extent that it compensates for a decrease from the revaluation of the same asset previously recognized in profit or loss.
If the carrying amount of an asset is impaired as a result of a revaluation, this reduction shall be recognized in profit or loss.
However, the discount will be recognized in other comprehensive income to the extent that the revaluation surplus presents a creditor balance for that asset. Transfers from revaluation surplus to retained earnings shall not be made through profit or loss.

Subsequent costs

Subsequent costs of tangible fixed assets shall be assessed in the light of the general criterion for the recognition of tangible assets, namely:

- Whether the future economic benefits associated with the asset are likely to be input;
- Whether these costs can be measured credibly.

The daily maintenance costs ("Repair and maintenance expenses") of tangible assets are not capitalized; they are recognized as costs of the period in which they occur. These costs consist mainly of labor and consumables, and may also include the cost of low value components.
Charges for the maintenance and repair of tangible fixed assets shall be recorded in the profit or loss account when they arise, and significant improvements to tangible fixed assets which increase their value or life, or which significantly increase their ability to generate economic benefits, shall be capitalized.

Cushioning

Depreciation is calculated for the cost of the asset or another value that replaces the cost less the residual value. Depreciation shall be recognized in the profit or loss account using the linear method for estimated useful life of tangible assets.
The estimated useful lives for the current period and for the comparative periods are as follows:

Construction	10-50 years
Equipment, technical installations and machinery	3-30 years
Means of transport	4-12 years
Furniture and other property, plant and equipment	3-20 years

Depreciation methods, estimated useful life as well as residual values shall be reviewed by the management at each reporting date.

(v) the sale/disposal of tangible assets

The carrying amount of an item of property, plant and equipment is derecognized (removed from the statement of financial position) on disposal or when no future economic benefit is expected from its use or disposal.
Tangible assets that are scrapped or sold are removed from the balance sheet together with the corresponding accumulated depreciation. Any profit or loss resulting from such a transaction shall be included in the current profit or loss account.

(g) investments in real estate

An investment property is real estate (land, building or part of a building) owned by the company rather to obtain rental income or to increase the value of capital (as is the case with the company), or both, except for use in the production or supply of goods or services or for administrative purposes or to be sold in the normal course of business.

(i) recognition

An investment property shall be recognized as an asset if, and only if, the future economic benefits associated with the investment property are likely to accrue to the investment property and the cost of the investment property can be measured reliably.

(ii) assessment

Measurement on recognition

An investment property shall initially be valued at cost, including transaction costs. The cost of an investment property purchased includes its purchase price plus any directly attributable expenses (e.g. professional fees for the provision of legal services, fees for the transfer of ownership and other transaction costs).

Valuation after recognition

Fair value model

After initial recognition, all investments in real estate are measured at fair value, except where fair value cannot be reliably determined on a continuous basis.
In exceptional circumstances where, at the time of the first purchase of an investment property, there is clear evidence that the fair value of the investment property cannot be reliably determined on a continuous basis, the firm shall measure that investment property using the cost model. All other

investments in real estate are measured at fair value. If the entity has previously measured an investment property at fair value, then it will continue measuring that investment property at fair value until the disposal.
Gains or losses arising from changes in the fair value of investments in property are recognized in the profit or loss for the period during which they occur.
The fair value of investment property shall reflect market conditions at the end of the reporting period.

(iii) recognition

The carrying amount of an investment property is derecognized (eliminated from the statement of financial position) at the time of disposal or when the investment is definitively withdrawn from use and no future economic benefits are expected to arise from its disposal.
Gains or losses on disposal or disposal of an investment property shall be recognized in profit or loss during the period of disposal or disposal.

(h) impairment of non-financial assets

The carrying amount of the company's non-financial assets other than deferred tax assets shall be reviewed at each reporting date to identify the existence of impairment signs. Where such indications exist, the recoverable amount of the assets in question shall be estimated.
An impairment loss is recognized when the carrying amount of its cash-generating asset or unit exceeds the recoverable amount of the cash-generating asset or unit.
A cash-generating unit is the smallest identifiable group that generates cash and is independent of other assets and groups of assets. Impairment losses shall be recognized in the profit and loss account.
The recoverable amount of an asset or a cash-generating unit is the maximum of its value in use and its fair value less the costs of selling that asset or unit. For the determination of the net use value, future cash flows are discounted using a pre-tax discount rate reflecting current market conditions and risks specific to the asset.
The amount of cash outflows reported in item 1.3, which derives from non-trading non-derivative financial assets measured at fair value through profit or loss. The impairment loss shall be resumed if there has been a change in the estimates used to determine the recovery value. The carrying amount of the asset shall be reported in this item.

(i) share capital and own shares

Ordinary shares are recognized in the capital. The incremental costs directly attributable to an issue of ordinary shares are deducted from the capital net of the effects of taxation.
For the purposes of preparing IFRS-compliant individual financial statements, the company also applied the provisions of IAS 29 'Financial Reporting in hyperinflationary economies' adjusting the share capital to be expressed in the current unit of measurement on 31 December 2003.
The company recognizes the redemptions of equity shares at the trade date as a reduction in equity. Repurchased equity shares are recorded at acquisition value, brokerage commissions and other costs directly related to the acquisition being recognized in a separate account as also a reduction in equity. The cancellation of its own shares shall be subject to the approval of the shareholders, subject to all legal requirements relating to the operation. On derecognition, the company uses the share capital accounts (for nominal value), i.e. retained earnings (for the difference between acquisition cost and nominal value) against the canceled own shares.

(j) provisions for liabilities and charges

Provisions shall be recognized in the statement of financial position where a past-event obligation arises for the undertaking and it is likely that in the future it will be necessary to consume economic resources to discharge this obligation and a reasonable estimate of the amount of the obligation may be made. For the purpose of determining the provision, future cash flows shall be discounted using a pre-tax discount rate reflecting current market conditions and risks specific to that liability. The amount recognized as a provision constitutes the best estimate of the expenses required to settle the current obligation at the end of the reporting period.

(k) income and interest charges

Income and interest expenses are recognized in the separate statement of profit or loss by the effective interest method. The effective interest rate is the rate that accurately updates future cash payments and receipts over the expected life of the financial instrument up to the level of the gross carrying amount of the financial asset that is the amortized cost of the financial liability. Interest income shall include the financing component of a contract for the disposal of financial assets, if significant and resulting, implicitly or explicitly, from the terms of the contract.

(l) income from dividends

Dividends on an equity instrument classified at fair value through other comprehensive income at that fair value through profit or loss are recognized in profit or loss when the entity's right to receive those amounts is determined, Unless these amounts represent a substantial return on the cost of the investment, in accordance with IFRS 9.
The company does not register dividend income on shares received free of charge when they are distributed proportionally to all shareholders.
Dividend income is recorded gross of tax on dividends, which is recognized as a current expense on income tax. Their accounting recognition is made after the date of registration, which identifies the shareholders on which the resolutions of the general meeting of shareholders are passed, having regard to the number of shares held by the company at the date of registration and the gross dividend/share approved by those resolutions.

(M) employee benefits

(i) short-term benefits

Short-term employee benefit obligations are not updated and are recognized in the statement of comprehensive income as the related service is provided.
Short-term employee benefits include wages, bonuses and social security contributions. Short-term employee benefits are recognized as an expense when services are provided.

(ii) defined contribution plans

The company makes payments on behalf of its employees to the Romanian state pension system, the health insurance, in the course of normal activity. The company also retains and transferred to the private pension funds the amounts with which the employees signed an optional pension plan.
All the employees of the company are members and also legally obliged to contribute (through social contributions) to the Romanian State's pension system (a defined contribution plan of the State). All related contributions shall be recognized in the profit or loss account of the period when they are made. The company has no other additional obligations.
The company is not engaged in any independant pension scheme and therefore has no other obligations in this respect. The company shall not be required to provide subsequent services to former or current employees.

(iii) long-term employee benefits

The net liability of the company in respect of the long-term service benefits is the amount of future benefits that the employees have earned in return for the services provided by them in the current and prior periods. Under the collective employment agreement in force, people retiring at the age limit can benefit at the time of their retirement from an aid amounting to five average net wages per society.
The present value of this obligation is not significant and therefore the company did not recognize these future costs as a provision in these financial statements.

(iv) share-based payment and share option plan

For equity-settled share-based payment transactions, the entity shall measure the goods or services received and the corresponding increase in equity directly at the fair value of the goods or services received, in accordance with IFRS 2. unless fair value cannot be reliably estimated. If the entity cannot reliably estimate the fair value of the goods or services received, the entity shall measure their value and the corresponding increase in indirect equity by reference to the fair value of the equity instruments granted.

To apply those provisions to transactions with employees and other persons providing similar services , the entity shall measure the fair value of services received by reference to the fair value of the equity instruments granted, because it is generally not possible to reliably estimate them, the fair value of the services received. The fair value of those equity instruments shall be measured at the date of granting .

A grant of equity instruments may be conditional upon the specific vesting conditions being satisfied . For example, a grant of shares or share options to an employee is generally conditional on the employee remaining in the entity's service for a specified period of time. Performance conditions may be required, such as the entity achieving a specified profit increase or a specified share price increase. Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the valuation of the transaction value so that ultimately, the amount recognized for the goods or services received as a counterpart for the equity instruments awarded shall be based on the number of equity instruments that eventually vesting. Therefore, on a cumulative basis, no value is recognized for the goods or services received if the equity instruments awarded do not vesting due to the failure to meet a vesting condition, for example, partner does not complete the specified service period or a performance condition is not met.

(n) income tax

Reflected in the statement of financial position

Income tax includes current and deferred tax.

Income tax is recognized in profit or loss or other comprehensive income if the tax is on capital items.

The company recognizes a deferred tax liability (deferred tax liability) for temporary (deductible) fair value differences in equity investments measured at fair value through other comprehensive income. The amount of this liability (receivable) is adjusted accordingly whenever differences in taxable (deductible) fair value are recognized.

Deferred tax is determined using the balance sheet method for those temporary differences that arise between the tax base for the calculation of the tax on assets and liabilities and their carrying amount used for reporting in separate financial statements.

Deferred tax shall not be recognized for the following temporary differences: Initial recognition of goodwill, initial recognition of assets and liabilities arising from transactions that are not combinations of undertakings and do not affect neither accounting nor tax profits, and differences arising from investments in subsidiaries and associates, provided that they are not resumed in the near future. Deferred tax is calculated on the basis of tax percentages that are expected to be applicable to temporary differences upon their reversal, based on legislation in force at the reporting date or legislation issued at the reporting date and which will enter into force thereafter.

Deferred tax liability is recognized only to the extent that it is likely that future taxable profit will be obtained after offsetting against the tax loss of previous years and the income tax to be recovered. The deferred tax asset is impaired to the extent that the related tax benefit is unlikely to be realized.

The calculated deferred tax assets and deferred tax liabilities are shown net in the separate financial statements of the company.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets and liabilities that relate to taxes levied by the same tax authority, the same taxable entity or different tax entities, but who intend to offset current tax claims and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

Reflected in the statement of profit or loss

Current income tax also includes tax on income from dividends recognized at gross value.
Additional taxes arising from the distribution of dividends are recognized on the same date as the liability to pay dividends.
Current tax is the tax payable on profits realized in the current period, determined on the basis of the percentages applied on the balance sheet date and all adjustments relating to the preceding periods.
On 31 December 2023 and 31 December 2022, the income tax was 16%.

(o) the result per share

The company shall present the result per share of the base and diluted for ordinary shares. The result per share shall be determined by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares over the reporting period. The result per diluted share shall be determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with the dilution effects generated by potential ordinary shares.

(p) dividends

Dividends are treated as a profit distribution during the period in which they were declared and approved by the General meeting of shareholders.
Dividends which have not been retained for three years and for which the right to ask for them has been prescribed shall be recorded in equity under other reserves — analytically distinct .

(u) adopting new or revised standards and interpretations

New IFRS accounting standards and amendments to existing standards that are effective for the current year:

In the current year, the company applied a number of amendments to the IFRS accounting standards issued by the International accounting standards Board (IASB) and adopted by the European Union which entered into force for the reporting period starting on or after 1 January 2023. Their adoption has not had a significant impact on the disclosures or amounts reported in these financial statements:

IFRS 17 - new IFRS 17 'Insurance contracts' including amendments to IFRS 17 issued by IASB in June 2020 and December 2021,

Amendments to IAS 1 — presentation of accounting policies,

Amendments to IAS 8 — Definition of accounting estimates,

Amendments to IAS 12 deferred tax on assets and liabilities arising from a single transaction,

Amendments to IAS 12 International tax Reform — Pillar II model rules.

Notes on individual financial statements

for the financial year ended 31 december 2023

New IFRS accounting standards and amendments to existing standards issued and adopted by the EU but not yet in force

At the time of approval of these financial statements, the company did not apply the following amended IFRS accounting standards that were issued by the IASB and adopted by the EU but have not yet entered into force:

Amendments to IFRS 16 — lease liabilities in a sale and leaseback transaction,

Amendments to IAS 1 — classification of liabilities into short-term and long-term liabilities and long-term liabilities with financial indicators.

New IFRS accounting standards and amendments to existing standards issued but not yet adopted by the EU

At present, IFRS as adopted by the EU do not differ significantly from IFRS adopted by the International accounting standards Board (IASB), except for the following new standards and amendments to existing standards, which were not adopted by the EU at the time of authorization of these separate Financial statements:

Amendments to IAS 7 and IFRS 7 - financing agreements with suppliers (effective date set by IASB: 1 January 2024),

Amendments to IAS 21 non-convertible (date of entry into force as set by the IASB: 1 January 2025);

IFRS 14 - deferred accounts related to regulated activities (effective date set by: 1 January 2016),

Amendments to IFRS 10 and IAS 28—sale of or contribution with assets between an investor and its associates or joint ventures and subsequent amendments (effective date was deferred indefinitely by the IASB but early application is permitted).

The company anticipates that the adoption of these new standards and amendments to existing standards will not have a significant impact on the company's individual financial statements in the future.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the company's estimates, the use of hedge accounting in a portfolio of financial assets and liabilities according to IAS 39 Financial instruments: Recognition and measurement would not materially affect the individual financial statements if applied at the balance sheet date.

(r) events after the balance sheet date

Events that occur after the balance sheet date may provide additional information relating to the reported period compared to those known at the balance sheet date. If the annual financial statements have not been approved, they must be adjusted to reflect additional information if that information relates to conditions (events, operations, etc.) that existed at the balance sheet date.
Post-balance-sheet events are those events, whether favorable or unfavorable, that occur between the balance-sheet date and the date on which the annual financial statements are approved. Post-balance sheet events shall include all events that occur until the date on which the annual financial statements are approved, even if those events occur after the disclosure of financial information to the public.

Two types of post-balance sheet events can be identified:

those proving the conditions that existed on the balance sheet date. These post-balance sheet events shall lead to the adjustment of the annual financial statements; and
those giving indications of conditions occurring after the balance sheet date. These events after the balance sheet date do not lead to an adjustment of the annual financial statements.

(s) non-financial climate information and the impact of climate risks on asset depreciation

The European Union's objective of achieving climate neutrality by 2050 emphasizes the need for massive investment and capital mobilization for sectors that can ensure a rapid and efficient transition to a sustainable economic model. The company understood this need, so a part of the company's sustainability efforts focused on various topics related to the integration of ESG principles into everyday work.

The company's tangible assets, classified as both tangible assets and investment property (shown in the notes to the financial statements), are amortized in accordance with the applicable legal and accounting rules. Their periodic revaluation, for the purposes of fair value measurement, carried out in accordance with the applicable valuation standards, shall also take into account the risks associated with the holding or operation of those assets. The assets held by the company and reflected as tangible assets or investments in real estate have not suffered any depreciation in value that would represent the effect of climate change and the impact of which would be recognized in the financial statements prepared by the company.

Provisions, accounting treatment of contracts for the purchase of electricity

The company did not have, and has no, contracts for the purchase of electricity other than those concluded as final consumer for the operation of the operational activity carried out at the company's premises at the branch of Bucharest. Consequently, the company did not recognize provisions in this respect. In both previous and financial years ending in 2023, the share of energy costs in the company's total operating expenses is small.

Notes on individual financial statements

for the financial year ended 31 december 2023

(t) the impact of the conflict in Ukraine on the financial statements

The company has no investments or exposures in the area of the military conflict in Ukraine. The impact on the company's assets and financial performance is linked to unforeseeable developments in the financial markets, the exacerbation or deterioration of certain categories of assets, significant changes in fair value in the equity interests of issuers experiencing disruption of the raw material supply chain, increases in operating costs or increases in energy costs. These issues have been included in the level 1 fair value changes during the year, in the interim reporting, and in these financial statements, on the basis of the assumptions taken into account in determining the level 3 fair value for unlisted or unactive equity.

(u) impact of the current macroeconomic environment on employee benefits, impairment of non-financial assets and expected credit losses (ECL)

Employee benefits

The company did not register exceptional variations in employee benefits that would be the effect of the current macroeconomic environment. Any changes in the level of employee remuneration shall be the result of regular negotiations between the management of the company and employees' representatives, under the conditions laid down in the applicable legal regulations.

The company's tangible assets, classified as both tangible assets and investment property (shown in the notes to the financial statements), are amortized in accordance with the applicable legal and accounting rules. The periodic revaluation thereof, for the purposes of fair value highlighting, carried out in accordance with the applicable valuation standards, shall take into account the macroeconomic context at the date of the valuation and any trends that may affect the explicit forecast period. The assets held by the company and reflected as tangible assets or investments in real estate have not suffered any depreciation that would represent the effect of the current macroeconomic environment and whose impact is recognized in the company's financial statements.

Expected credit losses

The amount of cash flows that are expected to be made available to the reporting entity shall be reported in column 010 of template C 07.10 of Annex I to Commission Delegated Regulation (EU) 2015/96. The details of these instruments are to be found in the financial statements in the notes dealing with the risks to which the company is exposed by notes detailing the assets' assets' positions.

Managing significant risks

The risk management activity is part of the company's organizational structure and covers both general and specific risks as required by applicable national and European laws and regulations.

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

The company uses a variety of policies and procedures to manage and assess the types of risk to which it is exposed. These policies and procedures are outlined in the sub-chapter on each type of risk.

Notes on individual financial statements

for the financial year ended 31 december 2023

4.1 Financial risks

a. **Market risk**

Market risk is the current or future risk of loss on balance sheet and off-balance sheet positions due to adverse market price fluctuations (e.g. stock prices, interest rates, foreign exchange rates). The management of the company sets acceptable risk limits, which are regularly monitored.
Position risk is associated with the portfolio of financial instruments held by the company with the intention of benefiting from favorable price developments of those financial assets or from any dividends/coupons issued by issuers. The company is exposed to position risk, both general and specific, due to short-term investments in bonds, shares and units.
The management has pursued and is continuously seeking to minimize the potential adverse effects associated with this financial risk through an active policy of prudential portfolio diversification, And by using one or more risk mitigation techniques depending on the evolution of market prices of the financial instruments held by the company.

Concentration risk

Concentration risk concerns all assets held by the company, irrespective of the period of its holding, and the purpose of reducing this type of risk is to avoid too much exposure to a single obligor/issuer at the company level.
The management policy for the diversification of exposures shall apply to the portfolio structure, the structure of the business model and the structure of financial risk exposures. Thus, this diversification policy involves: Diversification of the portfolio by avoiding excessive exposure to a debtor, issuer, country or geographical region; diversification of the business plan structure aims at the level of the company to avoid excessive exposure to a particular business line/business sector; the diversification of the financial risk structure shall aim at avoiding excessive exposure to a particular type of financial risk.
The market risk of the equity instruments results predominantly from shares measured at fair value through other comprehensive income and the profit or loss account. Entities in which the company holds shares operate in various industries.
The objective of managing market risk 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 market risk is managed in accordance with its policies and procedures.

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

(i) the pre- tax risk of equity

Price risk is the risk of loss on both off-balance sheet and off-balance sheet positions due to asset price developments.
The undertaking is at risk that the fair value of the financial instruments held will fluctuate as a result of changes in market prices, whether caused by factors specific to the issuer's business or factors affecting all instruments traded in the market.
The Management Board shall monitor the conduct of the management of market risk and internal procedures shall provide that, where price risks are not consistent with investment policy and the principles of the company, a portfolio shall be rebalanced.
A positive change of 10% in the price of financial assets at fair value through the profit and loss account (subsidiary shares, associates, corporate bonds and units) would lead to an increase in profit after tax by lei 175.932.492 (31 December 2022: lei 154.210.928), a negative change of 10% having an equal net impact and sign contrary.
A positive change of 10% in the prices of financial assets measured at fair value through other comprehensive income, investments in shares, would result in an increase in equity, net of income tax, by lei 159.234.850 (31 December 2022: lei 139.304.936), a negative change of 10% having an equal net impact and sign contrary.

The company has shares in companies operating in different sectors of activity, as follows:

As can be seen from the table below, on 31 December 2023 the company held a majority of shares in companies active in the financial, banking and insurance sectors, with a share of 45,4% of the total portfolio, down from the 46,7% share recorded on 31 December 2022.

In ROL	**31 december 2023**	**%**	**31 december 2022**	**%**
Financial intermediation and insurance	1.559.710.690	45,7%	1.320.286.502	46,7%
Manufacturing	890.185.701	26,1%	706.121.167	24,9%
Hotels and restaurants	178.795.162	5,2%	133.536.179	4,7%
Wholesale and retail trade, repair of motor vehicles	230.430	0,0%	39.160.957	1,4%
Production and supply of energy, gas, water	28.800.000	0,8%	-	0,0%
Mining and quarrying	203.994.153	5,9%	149.134.107	5,3%
Other activities	-	0,0%	701.349	0,0%
Financial services applicable to real estate	491.588.829	14,3%	425.284.860	15,0%
Construction	4.377.211	0,1%	3.277.721	0,1%
Transport and storage	46.044.950	1,3%	38.232.508	1,4%
Rental of real estate	8.021.176	0,2%	14.281.270	0,5%
Agriculture, forestry and fishing	39.615	0,0%	151.925	0,0%
TOTAL	**3.411.787.916**	**100,0%**	**2.830.168.544**	**100,0%**

On December 31, 2023, the company owns 395.546.142 lei (December 31, 2022: Lei 362.939.797) in the following Investment Funds: ASSETS PLUS (alternative Investment Fund with private equity), OPTIMINVEST (alternative Investment Fund with private equity), STAR VALUE, CESTINVEST SHARES, ROMANIA STRATEGY FUND. The company is exposed to price risk in terms of investments made (listed shares, bonds, bank deposits) with a different degree of risk by these investment funds.

(ii) interest rate risk

Reform of IBOR

In the framework of the reform of IBOR and in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, certain existing reference rates (IBOR: Interbank rates offered) will be replaced by risk-free alternative rates. The IBOR indices are used to establish interest rates for a wide range of financial products and contracts. Based on a recommendation of the FSB (Financial Stability Board), interest rates have been subject to extensive analysis and a reform of the IBOR indices has been initiated. For the EU countries, this reform has resulted in a reform of the calculation method for EURIBOR and the replacement of most LIBOR and EONIA interest rates (average overnight interest rate in euro) on 1 January 2022. As regards LIBOR CHF and EONIA, the European Commission issued two new Regulations on 22 October 2021 (Regulation (EU) 2021/1847 on the designation of a statutory replacement for certain maturities of LIBOR CHF and Regulation (EU) 2021/1848 on the designation of a replacement benchmark for the average overnight interest rate in euro, By law, the replacement rates and adjustments applicable to LIBOR CHF and EONIA rates for existing contracts (including loans). As regards USD LIBOR, the publication of interest rates for 1W (one week) and 2M (two months) ceased on 1 January 2022, while for other maturities it is expected that they will be available by 30 June 2023. There is currently no fixed time frame for replacing the recast EURIBOR. It can be assumed that there will be no replacement in the immediate future. The replacement of the reference interest rates for existing contracts was done either by law (LIBOR CHF and EONIA) or by amendments regulating the measures to be taken in circumstances where a reference interest rate is replaced by another reference interest rate. In this context, the amendments cover the actions to be carried out in relation to the amendments that are directly attributed to the reform of IBOR and which will ensure economic equivalence. The company started preparing for the 2020 reform to ensure a smooth transition to the new risk-free interest rates. This was done in the context of the activities of the affected areas, mostly cash management, risk management and accounting. The members of the Directorate were regularly informed about the progress of the relevant processes and the associated risks. The replacement of reference rates on 1 January 2022 had no major implications.

Interest rate risk is the risk that income or expenses, or the value of the company's assets or liabilities, will fluctuate as a result of changes in market interest rates.

In the case of interest-bearing financial instruments: The interest-rate risk is composed of the risk of fluctuation in the value of a given financial instrument due to changes in interest rates and the risk of differences between the maturity of interest-bearing financial assets and interest-bearing liabilities. However, interest rate risk may also affect the value of fixed interest-bearing assets (e.g. bonds) by lowering fair value, so an increase in the market interest rate will reduce the value of future cash flows generated by them and may lead to a reduction in their price, if it increases investors' preference to place their funds in bank deposits or other instruments whose interest rate has increased, and vice versa, a reduction in the market interest rate may increase the price of shares and bonds and will increase the fair value of future cash flows.

With regard to fixed interest-bearing assets or marketable assets, the company is at risk that the fair value of future cash flows on financial instruments will fluctuate as a result of changes in market interest rates.

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

The company does not use derivatives to protect itself from interest rate fluctuations.

The following table illustrates the annual interest rates obtained by the company for interest-bearing assets during 2023:

Financial assets	RON Range Min	RON Range Max	EUR Range Min	EUR Range Max
Bank deposits	4,86%	6,75%	2,8%	3,0%
Financial assets at fair value through profit and loss*	4,3%	10,2%	5,06%	5,06%

** Financial assets at fair value through the profit or loss account include bonds issued in lei by a subsidiary and the euro loan granted in 2022 to a subsidiary.*

The following table illustrates the annual interest rates obtained by the company for interest-bearing assets during 2022:

Financial assets	RON Range Min	RON Range Max	EUR Range Min	EUR Range Max
Bank deposits	0,8%	8,2%	0,06%	0,12%
Financial assets at fair value through profit and loss*	4,3%	10,2%	5,06%	5,06%
Financial assets at fair value through comprehensive income	-	-	5,75%	5,75%

** Financial assets at fair value through the profit or loss account include bonds issued in lei by a subsidiary and the euro loan granted in 2022 to a subsidiary.*

The company faces the interest rate risk due to its exposure to unfavorable interest rate fluctuations. The change in market interest rates for ROBOR and EURIBOR directly influences the income and expenditure on the financial assets and liabilities bearing variable interest rates and the market value of those bearing fixed interest rates. On 31 December 2023 and 31 December 2022, most of the company's assets and liabilities are not interest-bearing. As a result, the company is not significantly affected directly by the risk of interest rate fluctuations. Cash and cash equivalents are generally invested at short-term interest rates. However, the fall in market yields may affect the valuation value of the assets held by the company.

The table below summarizes the company's exposure to interest rate risks. The table includes the company's assets and liabilities at book values, classified according to the latest date between the date of change in interest rates and the date of maturity.

In RON	**2023**	**2022**
Cash and cash equivalents*	406.482.143	6.625.573
Financial assets at fair value through profit and loss — Corporate bonds	37.612.296	37.612.296
Financial assets at fair value through profit and loss — loan granted	31.840.269	115.805.211
TOTAL	**475.934.709**	**160.043.080**

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

Impact on the company's net profit (on interest income) a change of ± 1,00% in the interest rate on variable interest-bearing assets and liabilities denominated in other currencies in conjunction with a change of ± 1,00% in the interest rate on floating interest-bearing assets and liabilities denominated in lei is lei 3.569.510 (31 december 2022: lei 1.344.362).

In the case of bonds that are evidenced at fair value (level 3), a variation in their market price of +/-5% gives rise to a net impact in the amount of lei +/-1.410.461 (December 31, 2022: lei +/-1.579.716) in the profit or loss account, i.e. in the amount of lei 0 (lei 0 at 31 december 2022) in other comprehensive income.

(iii currency risk

Foreign exchange risk is the risk of incurring losses or of not making the expected profit due to adverse exchange rate fluctuations. The company invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, thus it is exposed to the risk that the exchange rate of the national currency in relation to another currency will have adverse effects on the fair value or future cash flows of that portion of the financial assets and liabilities denominated in another currency.
The company made transactions in the reporting periods in both Romanian (Leu) and foreign currency. The Romanian currency fluctuated compared to foreign currencies, THE EURO and the US dollar.
The financial instruments used enable the value of the monetary assets held in lei to be conserved by making investments and collecting interest on a maturity basis.
The company did not carry out any foreign exchange derivative transactions during the financial years submitted.

The financial assets and liabilities of the company in lei and currencies at 31 December 2023 and 31 December 2022 can be analyzed as follows:

Financial assets at foreign exchange risk (EUR in RON)

In RON	**2023**	**2022**
Cash and cash equivalents	200.626.294	19.781.888
Financial assets at fair value through profit or loss account — (including assets held by investment funds)*	55.336.625	126.798.355
Financial assets at fair value through other comprehensive income**	-	147.927.260
Total assets	**255.962.919**	**294.507.503**
Lease liabilities	(258.500)	(530.880)
Total liabilities	**(258.500)**	**(530.880)**
Net financial assets	**255.704.419**	**293.976.623**

** Financial assets at fair value through the profit or loss account include borrowing in euro (in 2023 and 2022) and holdings in foreign currency of closed investment funds in proportion to the holding of the company in their net assets.*

*** Of financial assets at fair value through comprehensive income in EUR includes non-country interests, i.e. Austria-Erste Bank and impact corporate bonds (only in 2022).*

On 31 December 2023 and 31 December 2022, the company had units in assets PLUS (alternative private equity Investment Fund), OPPTIMINVEST (alternative private equity Investment Fund), STAR VALUE, CENTINVEST SHARES (Alternative investment fund of open type), ROMANIA STRATEGY FUND. The company is exposed to foreign exchange risk in terms of investments made by these investment funds (financial instruments quoted on foreign markets, available or foreign currency investments).
On 31 December 2023 and 31 December 2022 respectively, the assets of closed-ended funds were mainly investments in shares listed on a regulated market in Romania and other Member States of the European Union.

The following table shows the sensitivity of profit or loss as well as equity to possible changes at the end of the reporting period of foreign exchange rates in accordance with the reporting currency, keeping all other variables constant:

	31 december 2023		31 december 2022	
	The impact in the profit and loss account	**Impact on other comprehensive income**	**The impact in the profit and loss account**	**Impact on other comprehensive income**
Appreciation EUR 5% (2022: 5%)	9.588.916	-	6.134.073	6.212.945
EUR 5% depreciation (2022: 5%)	(9.588.916)	-	(6.134.073)	(6.212.945)
Total	**-**	**-**	**-**	**-**

b. **Credit risk**

Credit risk is the risk that a counterparty of a financial instrument fails to fulfill an obligation or financial commitment 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 companies or the Romanian State, current accounts and bank deposits and other claims.
The management of the company closely and constantly monitors the exposure to credit risk in such a way that it does not suffer losses as a result of the concentration of credit in a particular sector or field of activity.
On 31 December 2023 and 31 December 2022, it has no collateral as insurance or other credit rating improvements.
On 31 December 2023 and 31 December 2022, the company did not record financial assets outstanding, except for some balances from various debtors which were considered impaired.

The company carried out an internal analysis of expected credit losses on all on-balance sheet items, the conclusion of the analysis being that their impact is insignificant. Thus, the company does not disclose the expected credit loss disclosures required by IFRS 9 in the notes.

The following are the financial assets with credit risk exposure:

31 december 2023	**Current accounts**	**Bank deposits**	**Loan granted**	**Bonds (measured at fair value through profit and loss account)**	**Other financial assets**	**Total**
AAA to A- rating						
AAA+						
BBB+	725.245	165.500.000				166.225.245
BBB	389.945	41.077.842				41.467.787
BBB-	20.056					20.056
BB+	24.233	199.904.301				199.928.534
BBB						
Baa2						
No rating			31.840.269	38.185.926	730.106	70.756.302
TOTAL	**1.159.478**	**406.482.143**	**31.840.269**	**38.185.926**	**730.106**	**478.397.923**

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for the financial year ended 31 december 2023

31 december 2022	Current accounts	Bank deposits	Loan granted	Bonds (measured at fair value through profit and loss account)	Other financial assets	Total
AAA to A- rating						
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
BBB	3.491					3.491
Baa2						-
No rating			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 maximum exposure to the company's credit risk is lei 478.397.923 at 31 December 2023 (December 31, 2022: Lei 194.660.696). The following tables show the most important components at risk:

	Credit rating	The parent undertaking	Source	31 december 2023	31 december 2022
BRD – Groupe Société Générale	BBB+	BRD – Groupe Société Générale	Fitch	2.312	14.394.427
Banca Transilvania	BB+	Banca Transilvania	Fitch	166.225.245	5.788.844
The Romanian commercial Bank	BBB+	The Romanian commercial Bank	Fitch	41.425.969	6.390.525
Bank CEC	BBB-	Bank CEC	Fitch	199.928.534	3.491
Bank of Greece	BBB+	EXIM Bank Romania	Fitch	39.506	2.123
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italy	Fitch	19.842	20.847
UniCredit Tiriac	BBB	UniCredit Tiriac	Fitch	214	435
TOTAL (Note 15 and 16)				**407.641.621**	**26.600.693**

**For banks for which there is no rating we have taken into account the rating of the parent company*

The company's exposure to credit and counterparty risk through corporate bonds held on 31 December 2023 is shown in the following table:

Issuer		Item No	Nominal value	Interest rate	Value at Dec. 31 2023-le-	Scandenta
Vrancart SA*	Lei	368.748	100,00	10,20%	37.612.296	2024
Total					**37.612.296**	

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

The company's exposure to credit and counterparty risk through corporate bonds held on 31 December 2022 is shown in the following table:

Issuer		Item No	Nominal value	Interest rate	Value at Dec. 31 2022-le-	Scandenta
Vrancart SA*	Lei	368.748	100,00	10,20%	37.612.296	2024
Total					**37.612.296**	

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

Given the current structure of the placement in bank deposits and bonds, management does not estimate a significant impact from a credit risk perspective on the financial position of the company.

Cash and cash equivalent and bank deposits are not past due and are not impaired.
From the category other financial assets, various debtors in value of lei 663.209 (December 31, 2022: Lei 4.579.813) are not past due or impaired receivables.

On 31 December 2023 and 31 December 2022, the company considers the value of the claims (within various debtors) to be written down in the amount of lei 717.477 (31 December 2022: Lei 717.477) representing dividends and penalties due from the portfolio companies and not collected in previous periods.

(c) liquidity risk

Liquidity risk is the risk that the company will encounter difficulties in meeting its obligations arising from short-term financial liabilities, which go out of cash or other financial means, or that such obligations will be extinguished in a manner unfavorable to the company.
The company shall monitor the evolution of the level of liquidity so that it can meet its obligations on the date on which they become due, and shall continuously analyze the assets and liabilities in the light of the period remaining until the contractual maturities.

The asset and liability structure was analyzed on the basis of the period remaining from the balance sheet date to the contractual maturity date, both on 31 December 2023 and on 31 December 2022, as follows:

In ROL	**Accounting value**	**Under 3 months**	**Between 3 and 12 months**	**More than 1 year**	**No pre-established maturity**
31 december 2023					
Financial assets					
Cash and cash equivalents	**408.814.516**	408.814.516	-	-	-
Financial assets at fair value through the profit and loss account	**1.900.476.975**	38.185.926	-	32.288.814	1.830.002.235
Financial assets measured at fair value through other comprehensive income	**1.977.331.822**	-	-	-	1.977.331.822
Other financial assets	**1.447.583**	1.447.583	-	-	-
Total financial assets	**4.288.070.897**	**448.448.026**	**-**	**32,288,814**	**3.807.334.057**
Financial liabilities					
Dividends to be paid	**9.886.856**	9.886.856	-	-	-
Other financial liabilities	**12.402.436**	12.402.436	-	-	-
Lease liabilities	**258.500**	71.367	187.133	-	-
Total financial liabilities	**22.547.792**	22.360.659	187.133	-	-
Excess liquidity	**4.265.523.105**	**426.087.366**	**(187.133)**	**32.288.814**	**3.807.334.057**

In ROL	Accounting value	Under 3 months	Between 3 and 12 months	More than 1 year	No pre-established maturity
31 december 2022					
Financial assets					
Cash and cash equivalents	**26.615.152**	26.615.152	-	-	
Bank deposits	**-**			-	
Financial assets at fair value through the profit and loss account	**1.723.810.844**	700.722	116.912.505	37.612.296	1.568.585.321
Financial assets measured at fair value through other comprehensive income	**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 to be paid	**10.042.310**	10.042.310	-	-	
Other financial liabilities	**15.038.374**	15.038.374	-	-	
Lease liabilities	**530.880**	67.048	206.746	257.087	
Total financial liabilities	**25.611.564**	**25.147.732**	**206.746**	**257.087**	
Excess liquidity	**3.362.889.409**	**15.720.099**	**116.705.760**	**37.355.210**	**3.193.108.341**

The proportion of immediately available liquidity (cash and cash equivalents) is increasing compared to the previous year and there is a liquidity surplus for each relevant maturity/chargeability category as shown in the table above Liquidity risk remains heavily influenced by the liquidity of the local capital market, i.e. the ratio between the size of the main listed holdings of the company and their average daily liquidity.

4.2 other risks

By the nature of the business, the company is exposed to different types of risks associated with the financial instruments and the market in which it invests. The main types of risks to which the undertaking is exposed are:

- the risk associated with taxation;
- the risk to the business environment;
- operational risk.

Risk management aims at maximising the company's profit in relation to the level of risk to which it is exposed.
The company uses a variety of policies and procedures to manage and assess the types of risk to which it is exposed. These policies and procedures are outlined in the sub-chapter on each type of risk.

(A) the risk associated with taxation

As of 1 January 2007, following Romania's accession to the European Union, the company had to comply with EU regulations, and consequently prepared for applying the changes brought by European legislation. The company has implemented these changes, but the way they are implemented remains open to tax audit for 5 years

The interpretation of the texts and the practical implementation of the procedures of the new tax rules applicable could vary and there is a risk that in certain situations the tax authorities will take a different position from that of society.
In terms of income tax for the financial year 2015, there is a risk that tax bodies will interpret the accounting treatment of the transition to IFRS as an accounting basis differently.
The company chose to prescribe dividends distributed and not charged for 3 years by the shareholders and to register them in the account of other reserves (analytically distinct). According to the provisions of the Civil Code, the prescription applies to the right to request enforced execution, not to the ownership of the amounts. Given that the transfer of these amounts, already taxed in the sphere of both corporate and dividend tax, back to equity is a transaction with shareholders, not a taxable transaction. Consequently, the company did not recognize a deferred tax on these amounts. Under these circumstances, there is a risk that tax authorities might interpret these transactions differently.
In addition, the Romanian Government has a number of agencies authorized to audit (control) companies operating in Romania. These controls are similar to tax audits in other countries, and may cover not only tax aspects but also other legal and regulatory issues of interest to these agencies. The company may be subject to tax controls upon the issuance of new tax regulations.

(B) the risk associated with the economic environment

The management of Lion capital S.A. cannot predict all the effects of international economic developments with an impact on the financial sector in Romania, but considers that in 2023 it has taken the necessary measures to ensure the sustainability and development of the company under the prevailing financial market conditions, by monitoring cash flows and the adequacy of investment policies.
Risk avoidance and mitigation are ensured by the company through an investment policy which complies with the prudential rules required by the applicable legal and regulatory provisions.
Lion capital S.A. has adopted risk management policies that enable them to be actively administered, with specific risk identification, assessment, measurement and control procedures being applied that provide reasonable assurance as to the achievement of the company's objectives, a constant balance between risk and expected profit has been sought.
The aim of the risk management process is to: (i) identify and assess significant risks with a major impact in achieving the investment objective and develop activities to address the identified risk; (ii) adapt risk management policies to financial developments in the capital market, monitor performance and improve risk management procedures; (iii) review investment decisions in line with capital and money market developments; (iv) comply with existing legislation.
Geopolitical tensions in recent months and the growing insecurity over the supply of energy sector products have led to significant increases in oil and natural gas quotations in 2023. Aggressive measures taken by the main central banks (Federal Reserve, European Central Bank, etc.) to curb inflation and uncertainties about the short- and medium-term impact of these measures in macroeconomic developments have led to high volatility among the major capital markets. The lack of visibility in central banks' attitude toward these externalities, the necessary level of successive increases in interest rates and their impact on global demand are the main challenges in the management of the asset portfolio in 2024.

(c) operational risk

Operational risk is the risk of direct or indirect losses resulting from deficiencies or deficiencies in the company's procedures, staff, internal systems or external events which may have an impact on its operations. Operational risks arise from all the activities of the company.
The objective of the company is to manage operational risk in a way that can limit its financial losses, not tarnish its reputation and achieve its investment objective of generating benefits for investors.
The Management Board shall have primary responsibility for the implementation and development of operational risk control. This responsibility is supported by the development of general operational risk management standards, which encompass controls and processes at service providers and service commitments with service providers.

(d) capital adequacy

Management's capital adequacy policy focuses on maintaining a sound capital base to support the company's continuous development and the achievement of investment objectives.
This is the absolute value of the liabilities (before the loss–given–year), after the shock (before the loss–given–loss–loss–given–loss–given The capital amounted to lei 4.100.371.784 on December 31, 2023 (lei 3.242.853.185 on December 31, 2022).

Significant accounting and judgment

Management shall discuss the development, selection, presentation and implementation of significant accounting policies and estimates. All these are approved at the meetings of the company's board of directors.
These disclosures complement the information on financial risk management (see note 4).

Key sources of uncertainty of estimates

Significant accounting judgments for the implementation of the company's accounting policies include:

The application of the amendments to IFRS 10 Investment entities

In 2018, the company reviewed the criteria of IFRS 10 on classification as an investment entity and concluded that they were met, i.e.:

a. obtain funds from one or more investors in order to provide investment management services to them;
b. commits to its investors that the purpose of its business is to invest funds only for gains on the value of the investment, investment income or both; and
c. Quantify and measure the performance of almost all of its investments on a fair value basis (IFRS 10.27).

The company also meets the specific characteristics of an investment entity, namely:

Investment services;
The purpose of the activity; and
Fair value measurement.

Determination of the fair value of financial instruments

The fair value of financial instruments that are not traded on an active market is determined using the valuation techniques described in accounting policy 3(e)(iii).

The company uses the following hierarchy of methods for the calculation of fair value:

- Level 1: The market price quoted on an active market for an identical instrument.
- Level 2: Valuation techniques based on observable elements. This category includes instruments measured using: The quoted market price on active markets for similar instruments; quoted prices for similar instruments on markets considered to be less active; or other valuation techniques in which the items can be directly or indirectly observable from market statistics.
- Level 3: Valuation techniques based largely on unobservable elements. This category includes all instruments for which the valuation technique includes items that are not based on observable data and for which unobservable inputs may have a significant effect on the valuation of the instrument. This category includes instruments that are valued on the basis of quoted prices for similar instruments but for which adjustments based largely on unobservable data or estimates are required to reflect the difference between the two instruments.

The concentration risk to which the company is exposed is disclosed in Note 4.1(a)(I), comprising the structure of exposures to the main CAEN sectors on 31 December 2023 and 31 December 2022 respectively.

The fair value of financial assets and liabilities that are traded on active markets is based on prices quoted on the market or prices quoted by intermediaries. For all other financial instruments, the company shall determine fair value using valuation techniques. Valuation techniques shall include present net value and discounted cash flow models, comparison with similar instruments
for which there are observable market prices and other valuation techniques. The assumptions and data used in valuation techniques shall include risk-free interest rates and reference rates, credit spreads and other premiums used to estimate discount rates, bond and capital yields, foreign exchange rates, capital price indices, volatility and forecast correlations. The purpose of measurement techniques is to determine the fair value that reflects the price of financial instruments at the reporting date, a price that would be determined on objective terms by market participants.

The company uses recognized valuation models to determine the fair value of simple financial instruments that use only observable market data and require very few estimates and analysis from the management (e.g. instruments that are valued on the basis of quoted prices for similar instruments and for which no adjustments based on unobservable data or estimates are required to reflect the difference between the two instruments). Observable prices and model inputs are usually available on the market for capital instruments. Their availability reduces the need for management estimates and analyzes and the uncertainty associated with determining fair value. The availability of observable market prices and inputs varies across products and markets and is subject to changes stemming from specific events and general conditions of financial markets.

For shares that do not have a quoted market price in an active market, the company uses valuation models that are usually derived from known valuation models. Some or all of the material inputs to these models may be unobservable in the market and are derived from market prices or estimated on the basis of assumptions. Valuation models that require unobservable inputs require a higher degree of management analysis and estimation for determining fair value. The analysis and estimation by management shall, in particular, take into account the selection of the appropriate valuation model, the determination of the future cash flows of the financial instrument, the probability of default by the counterparty and advance payments and the selection of appropriate discount rates.

For financial instruments for which there is no active market (level 3), fair value has been determined by external valuers using valuation techniques that include net present value techniques, discounted cash flow method, the method of comparisons with similar instruments for which there is an observable market price. Valuation techniques have been used consistently and there are no changes in their application.

Valuation methods for unlisted and listed shares but which do not meet criteria to be considered an active market within the meaning of IFRS were maintained in 2023.

However, the impending changes in those assumptions on financial markets in general and individually assessed issuers may be favorable or unfavorable to fair values in future financial years.

The company's management analyzed the situation between the date of the completion of the valuation reports and the date of the authorization for the publication of the annual financial statements, concluding that there is no publicly available information of such a nature that it could significantly affect the fair values of holdings presented in these annual financial statements.

Notes on individual financial statements

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An analysis of the financial instruments and investments in real estate and land and buildings recognized at fair value under the measurement method is presented in the table below:

31 december 2023

In ROL

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through the profit and loss account — shares	513.162.523	-	921.293.570	1.434.456.093
Financial assets at fair value through profit and loss account — Fund units	-	395.546.142	-	395.546.142
Financial assets at fair value through profit and loss account — loan granted	-	-	32.288.814	32.288.814
Financial assets at fair value through profit and loss account — bonds	-	-	38.313.018	38.313.018
Financial assets measured at fair value through other comprehensive income — shares	1.806.026.893	-	171.304.930	1.977.331.822
Investments in real estate	-	-	14.363.411	14.363.411
Land and buildings	-	-	3.213.758	3.213.758
	2.522.961.125	**395.546.142**	**1.180.650.410**	**3.895.385.967**

31 december 2022

In ROL

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through the profit and loss account — shares	362.069.218		843.576.306	1.205.645.523
Financial assets at fair value through profit and loss account — Fund units	362.939.797		-	362.939.797
Financial assets at fair value through profit and loss account — loan granted	-		116.912.505	116.912.505
Financial assets at fair value through profit and loss account — bonds	38.313.018		-	38.313.018
Financial assets measured at fair value through other comprehensive income — shares	1.468.597.487		155.925.533	1.624.523.020
Investments in real estate			12.963.376	12.963.376
Land and buildings			3.342.887	3.342.887
	2.231.919.521	**-**	**1.132.720.607**	**3.364.640.128**

Notes on individual financial statements

for the financial year ended 31 december 2023

In 2023, there were the following transfers between fair value levels*:

	Level 1	Level 2	Level 3
Book value as at 1 January 2023	**401.252.816**	**-**	**-**
Transfers to level 2	(362.939.797)	362.939.797	-
Transfers to level 3	(38.185.926)	-	38.185.926
Gains or losses on the period included in profit or loss	-	32.606.344	-
Acquisitions/share capital participation	-	-	-
Sales	-	-	-
Book value as at 31 December 2023	**-**	**395.546.142**	**38.185.926**

**At level 2, the holdings were transferred in ASSETS PLUS (alternative private equity Investment Fund), OPTIMINVEST (alternative private equity Investment Fund), STAR VALUE, CESTINVEST SHARES, ROMANIA STRATEGY FUND (Closed-end alternative investment fund) and in level 3 the Vrancart bond was transferred* .

The following table shows the reconciliation from the initial balance to the final balance for financial assets measured at fair value and investment property, level 3 of the fair value hierarchy:

2023	**Financial assets measured at fair value through other comprehensive income — shares**	**Financial assets measured at fair value through profit or loss account — shares**	**Investments in real estate**
Balance as at 1 January 2023	**155.925.533**	**843.576.306**	**12.963.376**
(Gains) or losses recognized in:			
profit and loss account	-	99.197.168	1.400.035
other comprehensive income	17.738.681	-	-
Purchases/entries	-	18.842.890	-
Value of disposed participations	(2.359.284)	(40.322.793)	-
Balance as at 31 December 2023	**171.304.930**	**921.293.571**	**14.363.411**
2022			
Balance as at 1 January 2022	**146.552.522**	**790.642.015**	**12.953.334**
(Gains) or losses recognized in:			
profit and loss account	-	80.148.840	10.042
other comprehensive income	11.589.170	-	
Purchases/entries	-	-	
Value of disposed participations	(2.216.160)	(27.214.550)	
Balance as at 31 December 2022	**155.925.533**	**843.576.306**	**12.963.376**

Although the company considers its own estimates of fair value to be appropriate, the use of other methods or assumptions could lead to different fair value amounts. For fair values recognized from using a significant number of unobservable inputs (level 3), changing one or more variables to make alternative assumptions possible would have an effect on the overall result and current result.

At the value resulting from the valuation of equity investments, a sensitivity analysis was carried out by estimating risk variations on the main influence factors. Two valuation techniques have been used, namely:

(1) valuation on an updated net cash-flow basis - thus both the EBITDA values and the weighted average cost of capital values have been altered statistically by +/-5 % (2022: +/-5%), considered as a risk limit, obtaining values per share and hence the equity of the company with a deviation from the standard value. These deviations from the standard value influence the profit and loss account and other comprehensive income (net tax) items.

2023 **Change in the Global element variable**	**Impact on profit or loss account**	**Impact on other comprehensive income**
Increase EBITDA by 5%	7.504.829	2.556.029
Decrease EBITDA by 5%	(7.507.276)	(2.556.029)
Increase WACC by 5%	8.776.631	2.430.293
Decrease WACC by 5%	(7.583.174)	(2.177.444)
2022 **Change in the Global element variable**	**Impact on profit or loss account**	**Impact on other comprehensive income**
Increase EBITDA by 5%	5.483.019	2.599.484
Decrease EBITDA by 5%	(5.468.663)	(2.599.484)
Increase WACC by 5%	6.751.960	2.499.496
Decrease WACC by 5%	(5.886.971)	(2.249.550)

(2) *net asset valuation corrected* - both the values of the assets and the values of the liabilities (liabilities) have been modified by +/-5% (2022: +/-5%), obtaining values per share and equity of the company, deviating from the standard value. These deviations from the standard value influence the profit and loss account and other comprehensive income (net tax) items.

2023 **Change in the Global element variable**	**Impact on profit or loss account**	**Impact on other comprehensive income**
Increase of assets by 5%	28.625.601	17.640.440
Reduction of assets by 5%	(28.625.601)	(17.640.440)
Increase of debts by 5%	(2.347.498)	(32.185)
Debt write down by 5%	2.347.498	32.185
2022 **Change in the Global element variable**	**Impact on profit or loss account**	**Impact on other comprehensive income**
Increase of assets by 5%	33.657.333	4.816.461
Reduction of assets by 5%	(33.684.446)	(4.750.799)
Increase of debts by 5%	(2.806.894)	(2.304.743)
Debt write down by 5%	2.779.780	2.306.348

A sensitivity analysis was performed at the value resulting from the assessment of the background units. These funds generally invest in highly liquid shares and bonds. As such, the sensitivity analysis was carried out considering a variation of +/- 10% in the market prices of equity instruments. These changes influence the profit and loss account (net tax) with the amount of lei +/- 3.260.634 at 31 December 2023 (31 December 2022: Lei +/- lei 624.466).

At the value resulting from the valuation of investments in real estate, a sensitivity analysis was carried out by estimating risk variations on the main influence factors. Two valuation techniques have been used, namely:

valuation based on updated net cash-flow - thus the estimated income values of these investments in real estate have been modified +/-5%. These deviations from the standard value affect the profit and loss account (net of tax).
valuation based on market value - thus, the values of the market prices estimated to be obtained from these investments in real estate have been modified +/-5 %. These deviations from the standard value affect the profit and loss account (net of tax).

2023

Change in the Global element variable	**Impact on profit or loss account**
Revenue increase by 5%	35.908
Income reduction by 5%	(35.908)
Increase market value by 5%	718.171
Decrease of market value 5%	(718.171)

2022

Change in the Global element variable	**Impact on profit or loss account**
Revenue increase by 5%	105.142
Income reduction by 5%	(104.727)
Increase market value by 5%	453.803
Decrease of market value 5%	(453.803)

The management considers that a presentation in the manner described above is useful for determining directions of action useful in risk management.

Classification of financial assets and liabilities

The company's accounting policies provide the basis for the assets and liabilities to be classified, at the initial time, into different accounting categories. For the classification of assets and liabilities at fair value through the profit and loss account, the company determined that one or more of the criteria set out in Note 3(e)(I) were met.
The details of the classification of the financial assets and liabilities of the company are set out in note 6.

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for the financial year ended 31 december 2023

Determining the fair value of investments in real estate

The fair value of investments in completed property is determined using the income method with explicit assumptions about the property's benefits and liabilities over the life of the asset including an exit or close-out value. As a method accepted under the income approach for valuation, the method of capitalization of income on property shares is used. For the projected series of cash flows, a market-derived capitalization rate is applied to determine the current amount of cash flows associated with the property.

The specific revenues and the timing of entries and exits are determined by events such as rental revision, renewal of the lease and related rental periods, re-rental, refurbishment or renovation. The appropriate duration is usually determined by market behavior. In the case of investments in real estate, estimated revenue as gross income minus empty spaces, sunk expenses, collection losses, rental incentives, maintenance costs, costs of agencies and commissions and other operating and management expenses.

For the years ending on 31 December 2023 and 2022, the company obtained valuation reports on its investments in real estate. The fair value of investments in real estate is based on these measurements.

For all investment property, the current usage is equivalent to the highest and best use. In the event of outsourcing the drawing up of assessment reports, the company shall review the assessments carried out by independant evaluators for financial and reporting purposes.

IFRS 13 defines fair value as the price that would have been received if an asset was sold or paid to transfer a liability in a normal transaction between market participants at the measurement date.

The company now presents fair values according to a "fair value hierarchy" (according to IFRS 13) that classifies inputs used in three-tier valuation techniques. The hierarchy gives the highest priority (level 1) to prices listed in active markets for identical assets or liabilities and the lowest priority (level 3) of immaterial inputs. The different levels of the fair value hierarchy are explained below:

Level 1: Prices listed (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Use of an input model (other than prices included in level 1) that are directly or indirectly observable market data, and

— Level 3: Use of a model with inputs that are not based on observable data.

Investment property of the company is classified as level 3. There were no transfers between the levels of the hierarchy during the year.

Information on measuring fair value using significant unobservable inputs (level 3) for 2023 is given in the table below:

Segments	**The method of evaluation**	**Estimated rent value – Euro/sqm**	**Capitalization rates %**
Commercial and services – buildings	Income method	14-16 euro/sqm	9– 10,5%

Information on measuring fair value using significant unobservable inputs (level 3) for 2022 is given in the table below:

Segments	**The method of evaluation**	**Estimated rent value – Euro/sqm**	**Capitalization rates %**
Commercial and services – buildings	Income method	12-14 euro/sqm	8,5 – 8,8%

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for the financial year ended 31 december 2023

Financial assets and liabilities

The table below summarizes the accounting values and fair values of the company’s financial assets and liabilities as at 31 December 2023:

In ROL	**Financial assets measured at:** fair value through the profit and loss account	fair value through other comprehensive income	**Financial assets/liabilities measured at amortized cost**	**Total book value**	**Fair value**
Cash and cash equivalents			**408.814.516**	**408.814.516**	**408.814.516**
Cash in cash and other amounts			1.236	1.236	1.236
Current accounts with banks			1.159.478	1.159.478	1.159.478
Bank deposits with original maturity of less than 3 months			407.653.802	407.653.802	407.653.802
Bank deposits					
Financial assets at fair value through the profit and loss account	**1.900.476.975**		**-**	**1.900.476.975**	**1.900.476.975**
Shares	1.434.456.092			1.434.456.092	1.434.456.092
Fund units	395.546.142			395.546.142	395.546.142
Loans granted	32.288.814			32.288.814	32.288.814
Corporate bonds	38.185.926			38.185.926	38.185.926
Financial assets measured at fair value through other comprehensive income		**1.977.331.822**		**1.977.331.822**	**1.977.331.822**
Shares		1.977.331.822		1.977.331.822	1.977.331.822
Other financial assets			**730.106**	**730.106**	**730.106**
Total financial assets	**1.900.476.975**	**1.977.331.822**	**409.544.622**	**4.287.353.419**	**4.287.353.419**
Dividends to be paid			(9.886.856)	(9.886.856)	(9.886.856)
Other financial liabilities			(12.402.436)	(16.347.987)	(16.347.987)
Lease liabilities			(258.500)	(258.500)	(258.500)
Total financial liabilities			**(22.547.792)**	**(22.547.792)**	**(22.547.792)**

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for the financial year ended 31 december 2023

The table below summarizes the accounting values and fair values of the company's financial assets and liabilities as at 31 December 2022:

In ROL	Financial assets measured at: fair value through the profit and loss account	Financial assets measured at: fair value through other comprehensive income	Financial assets/liabilities measured at amortized cost	Total book value	Fair value
Cash and cash equivalents			**26.615.152**	**26.615.152**	**26.615.152**
Cash in cash and other amounts			3.350	3.350	3.350
Current accounts with banks			19.975.119	19.975.119	19.975.119
Bank deposits with original maturity of less than 3 months			6.636.683	6.636.683	6.636.683
Bank deposits					
Financial assets at fair value through the profit and loss account	**1.723.810.843**		-	**1.723.810.843**	**1.723.810.843**
Shares	1.205.645.522			1.205.645.522	1.205.645.522
Fund units	362.939.797			362.939.797	362.939.797
Loans granted	116.912.505			116.912.505	116.912.505
Corporate bonds	38.313.018			38.313.018	38.313.018
Financial assets measured at fair value through other comprehensive income	-	**1.624.523.020**	-	**1.624.523.020**	**1.624.523.020**
Shares		1.624.523.020		1.624.523.020	1.624.523.020
Corporate bonds		-		0	0
Other financial assets			**12.834.480**	**12.834.480**	**12.834.480**
Total financial assets					
Dividends to be paid			(10.042.310)	(10.042.310)	(10.042.310)
Other financial liabilities			(15.038.374)	(15.038.374)	(15.038.374)
Lease liabilities			(530.880)	(530.880)	(530.880)
Total financial liabilities			**(25.611.564)**	**(25.611.564)**	**(25.611.564)**

Notes on individual financial statements

for the financial year ended 31 december 2023

7. Income from dividends

In accordance with IFRS 9, and as a result of the company's choice to measure participations through other comprehensive income, dividends on those participations are recognized in the income unless they represent substantially a return on the investment cost.
Dividend income shall be recorded gross. The tax rates for dividends for the financial year ended 31 December 2023 from resident and non-resident companies were 0%, 5% and 27,5% (2022: 0%, 5% and 27,5%). The breakdown of dividend income by main counterparties is set out in the table below:

In ROL	**31-Dec-23**	**31-Dec-22**	**Assessment**
BRD	-	50.396.401	FVOCI
Banca Transilvania	43.109.795	38.214.355	FVOCI
SAI Muntenia invest	29.994.000	17.996.400	FVOCI
SNP Petrom	29.294.199	15.492.985	FVOCI
Real estate SIF	12.031.798	11.959.384	FLTPL
Biofarm	10.862.898	8.690.318	FLTPL
Vrancart SA	9.086.125	3.816.173	FLTPL
Erste Bank*	7.503.480	7.916.320	FVOCI
Conpet	3.868.165	4.098.765	FVOCI
Yamu	3.861.240	4.985.279	FLTPL
Azuga SA	763.276	989.355	FLTPL
SIF Oltenia	-	774.050	FVOCI
Bucharest stock Exchange	530.461	393.883	FVOCI
Other	998.128	410.943	FVOCI
Other	-	53.396	FLTPL
Total	**151.903.565**	**166.188.008**	
FVOCI	115.298.229	135.694.103	
FLTPL	36.605.336	30.493.905	

FVTPL *= financial assets at fair value through profit or loss/* ***FVTOCI*** *= financial assets at fair value through other comprehensive income*

* *Full sale of the package in 2023*

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8. Interest income

Interest income (amortized cost act, fair value assets through other comprehensive income)

In ROL	31 december 2023	31 december 2022
Interest income on deposits and current accounts	5.800.174	2.704.667
Interest income on assets measured by other comprehensive income (corporate bonds)	-	287.071
	5.800.174	**2.991.738**

Interest income (assets at fair value through profit or loss)

In ROL	31 december 2023	31 december 2022
Interest income on corporate bonds	3.252.690	2.766.775
Interest income related to the contract disposal of financial assets*	611.369	1.847.445
Interest income related to loan contract	4.625.330	1.103.608
	8.489.389	**5.717.828**

**The amount represents part of the financing component drawn from the total value of the contract for the disposal of the participation in Central S.A., according to the contractual terms agreed between the parties.*

9. Gain/loss on investments in real estate

	31 december 2023	31 december 2022
Balance 1 January	**12.963.376**	**12.953.334**
Entries		
Outputs		
Changes in fair value — gain/(loss)	1.400.035	10.042
Balance as at 31 December	**14.363.411**	**12.963.376**

On December 31, 2023 the fair value measurement of the investments in real estate was carried out, resulting in a favorable difference in the amount of lei 1.4 Mn (December 31, 2022: Lei 10).

The assessment was carried out by assessors authorized by the national Association of authorized assessors from Romania (ANEVAR).

10. Profit/loss on financial assets at fair value through the profit and loss account

In ROL	31 december 2023	31 december 2022
Gain/loss on the measurement (redemption) of the fund units	72.606.345	(6.240.466)
Gain/loss on measurement/disposal of shares in subsidiaries and associates	221.674.497	(41.145.678)
Total	**294.280.842**	**(47.386.144)**

On 31 December 2023, the valuation of the fund units resulted in a gain of lei 32.6 million and the redemption value of lei 40 million (on 31 December 2022 resulted in a loss of lei 6,24 million).
The result from the fair value measurement of shares in subsidiaries and associates on 31 December 2023 is favorable in the amount of lei 246,4 Mn (gain of lei 146,3 Mn in the valuation of subsidiaries and gain of lei 75,3 Mn in the valuation of associates). A subsidiary (Central S.A) was sold during 2023.

The result from the fair value measurement of shares in subsidiaries and associates on 31 December 2022 is unfavorable in the amount of lei 41,1 Mn (gain of lei 37,8 Mn in the measurement of subsidiaries and loss of lei 78,9 Mn in the measurement of associates). An associate (Gaz Vest S.A Arad) was sold during 2022.

11. Commission expenses

In ROL	**2023**	**2022**
Fees the Financial Supervisory Authority	3.299.707	3.006.553
Deposit commissions	1.149.201	1.082.862
Commissions due transactions	291.813	6.545
Fees register	260.979	193.365
Other commissions	66.594	60.718
Total	**5.068.294**	**4.350.043**

12. Other operational expenditure

In ROL	**2023**	**2022**
Other taxes, duties and similar charges	131.250	128.199
Expenditure on salaries and other staff expenditure	17.978.284	16.865.552
Depreciation charges	277.580	304.536
Expenditure on external benefits	3.800.600	3.025.092
Interest expense and amortization of the right-of-use assets in the lease	270.918	286.339
Total	**22.458.631**	**20.609.717**

Wages and salaries and similar charges	**2023**	**2022**
Wages and salaries	17.038.326	16.012.585
Fixed	*10.222.995*	*9.614.396*
variables	*6.815.330*	*6.398.190*
This appropriation is intended to cover the cost of the purchase, purchase, or	476.945	487.471
Other staff expenditure	463.013	365.496
Total	**17.978.284**	**16.865.552**

On 31 December 2023 the number of employees was 33 (2022: 31). The average number of employees for the financial year ended 31 December 2023 was 32 (2022: 31).

The fee paid to the auditors during 2023 for the audit of the financial statements was lei 359.060 (lei 2022: 364.333), of which for the individual statements lei 263.708 (lei 2022: Lei 236.436), for consolidated statements lei 60.041 (lei 2022: Lei 93.405), additional expenses lei 35.312 (lei 2022: lei 9.846) and for non-audit services 0 lei (2022: 24.645 lei).

13. Income tax

In ROL	2023	2022
Current income tax		
Current income tax (16%)	9.849.255	-
Dividend tax (0%, 5%, 27,5%)	8.287.516	7.661.233
Tangible assets/real estate investments	205.437	(2.432)
Total income tax recognized as a result of the year	**18.342.208**	**7.658.801**

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

In ROL	2023	2022
Profit before tax	**435.597.340**	**103.125.949**
Tax according to statutory tax rate of 16% (2022: 16%)	69.695.574	16.500.152
Effect on corporate tax of:		
Dividend tax (0%, 5%, 27,5%)	8.287.516	7.661.233
Non-deductible expenses and similar items	12.204.349	31.226.657
Non-taxable income	(69.884.355)	(49.201.403)
Similar items to income	25.509.387	32.838
Similar items of expenditure	(1.189.926)	(173.018)
The tax loss to be recovered	(1.614.775)	1.614.775
Deferred tax	205.437	(2.432)
The amounts of sponsorship within legal limits and other deductions	(721.224)	-
Tax recognized in retained earnings	(24.171.871)	-
Income tax	**18.342.208**	**7.658.801**

Non-deductible expenses on which the effect of corporate tax has been calculated include principally unfavorable differences in the fair value measurement of holdings where the holding is more than 10% for a continuous period of more than 1 year.

Non-taxable income mainly includes dividend income from Romanian legal entities and fair value measurement income from holdings where the holding is more than 10% for a continuous period of more than 1 year.

With effect from 1 January 2014, the amendments to the tax Code that include non-taxable income in the calculation of corporate tax, together with dividend income, as well as income from the sale/divestment of shareholdings and liquidation proceeds, have entered into force, Whether the legal persons in which the shareholdings are held are Romanian or foreign legal persons, from States with which Romania has double taxation agreements (including from outside the EU). Such income is non-taxable if certain conditions are met (if at the date of sale/transfer of units or the commencement of the winding-up operation the minimum period of one year of uninterrupted holding of a minimum holding of 10 % is reached).

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14 Cash and cash equivalents

In ROL	31 december 2023	31 december 2022
Cash in cash and other amounts	1.236	3.350
Current accounts with banks	1.159.478	19.975.119
Deposits with banks with original maturity of less than 3 months	407.653.802	6.636.683
Total	**408.814.517**	**26.615.152**

Current accounts with banks and bank deposits are at all times available to the company and are not restricted.
The cash and cash equivalent are not overdue and not impaired.

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

In ROL	31 december 2023	31 december 2022
Equity instruments measured at fair value, of which:	1.434.456.093	1.205.645.523
-unconsolidated subsidiaries	1.136.088.506	982.594.026
-associate entities	298.367.587	223.051.497
Units measured at fair value	395.546.142	362.939.797
Loan granted	32.288.814	116.912.505
Corporate bonds (including interest attached)	38.185.926	38.313.018
Total	**1.900.476.975**	**1.723.810.844**

The shares measured at fair value through the profit and loss account include subsidiaries (unconsolidated) of lei 1.136.088.506 (2022: Lei 982.594.026) and associates of lei 298.367.587 (2022: Lei 223.051.497).

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The fair value of investments in subsidiaries is shown below:

		31 december 2023	31 december 2022
1	**Measured at fair value through the profit and loss account**		
	SIF REAL ESTATE PLC NICOSIA	429.656.276	368.402.807
	SIF1 IMGB SA BUCHAREST	256.400.000	244.100.000
	NAPOMAR SA CLUJ-NAPOCA	20.284.793	31.331.791
	SIF HOTELS SA ORADEA	95.959.124	84.638.766
	AZUGA TOURISM SA BUCHAREST	19.923.852	17.610.419
	IAMU SA BLAJ	91.048.349	44.307.984
	CENTRAL SA CLUJ-NAPOCA	-	38.903.269
	VRANCART SA	214.794.935	139.017.720
	SIF SPV TWO SA BUCHAREST	6.068.237	11.821.794
	UNITEH SA TIMISOARA	625.333	362.130
	SIFI CJ LOGISTIC SA BUCHAREST	1.327.606	2.097.346
	Total	**1.136.088.506**	**982.594.026**
2	**Measured at fair value through other comprehensive income**		
	Real estate administration SA Bucharest	56.225.453	49.070.053
	SAI Muntenia invest SA Bucharest	94.947.003	88.902.216
	Total	**151.172.455**	**137.972.269**

Statement of investment funds in which units are held :

	31 december 2023	31 december 2022
ASSETS PLUS (alternative private equity Investment Fund)	203.771.710	196.066.411
OPTIMINVEST (alternative private equity investment fund)	41.814.001	39.149.474
'Annex II	11.447.729	10.206.959
CENTINVEST SHARES (alternative open-ended Investment Fund)	98.972.942	82.421.152
ROMANIA STRATEGY FUND	39.539.760	35.095.800
Total	**395.546.142**	**362.939.797**

The movement of financial assets measured at fair value through the profit and loss account in the year 2023 is shown in the following table:

In ROL

	Shares	Fund units	Loans granted	Corporate bonds	Total
1 january 2023	**1.205.645.522**	**362.939.797**	**116.912.505**	**38.313.018**	**1.723.810.844**
Procurement	18.842.890	-	-	-	18.842.890
Sales	(49.553.410)	-	(86.065.648)	-	(135.619.058)
Change in interest receivable	-	-	1.193.069	(127.092)	1.065.977
Annex V.Part 2.247(b)	259.521.090	32.606.344	248.887	-	317.174.123
31 december 2023	**1.434.456.092**	**395.546.142**	**32.288.814**	**38.185.926**	**1.900.476.975**

The acquisition of shares carried out during 2023 includes shares in the company IAMU S.A.
The share sales represent largely the value of the shareholding in Central S.A, which is sold in full. Also in 2023 SIF SPV TWO SA repaid lei 86 million as part of the loan granted in 2022.

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

In ROL

	Shares	Fund units	Loans granted	Corporate bonds	Total
1 january 2022	**1.273.327.647**	**369.180.263**	**-**	**37.907.699**	**1.680.415.609**
Procurement	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
Annex V.Part 2.247(b)	(41.145.678)	(6.240.466)	808.897	-	(46.577.247)
31 december 2022	**1.205.645.522**	**362.939.797**	**116.912.505**	**38.313.018**	**1.723.810.844**

The share acquisitions made during 2022 include shares in the company Vrancart SA acquired through participation in the share capital increase with cash contribution and acquisitions on BVB.
The share sales represent the value of the stake held in Gaz Vest SA, sold in full, at the sales value of lei 27.193.910, resulting in a loss of lei 20.640.
The sum of lei 115 million represents the loan granted during 2022 to SIF SPV TWO SA company in order to pay the allotment price for the acquisition by transfer of assets of the "Belvedere cigarette factory", in the framework of the tender organized in the insolvency procedure of Interagro SA

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The hierarchy analysis of the fair value of financial instruments

On 31 December 2023, financial assets measured at fair value classified in level 3 shall be reported as follows:

Financial assets	**Fair value 31/12/23**	**Assessment technique**	**Input data used**		**Unobservable input data**	**Weighted average cost of capital**		**Capitalization rate**		**Sensitivity**
Financial investments, dd.c:	**1.092.598.500**					**Standar d values**	**Lime vs standard value**	**Standard values**	**Lime vs standard value**	
non-listed or no active market majority ownership	**322.163.121**	income approach - discounted cash flow method	Turnover, EBITDA for each major holding	Variation +/- 5 % from the standard value	Weighted average cost of capital	10,6%-35,0%	Variation +/- 5 % from the standard value			The increase in EBITDA (influenced by revenue growth and/or cost decreases) and the decrease in wacc increases fair value and vice versa leads to a decrease in fair value
non-listed or no active market majority ownership	**750.302.905**	net asset-adjusted approach	Net assets corrected for each majority holding within the holding type	Variation +/- 5 % from the standard value of assets and liabilities	unit rent and capitalization rate for real estate investments (major influence net asset)			8% to 11% when valuing fixed assets (majority share in total assets)	Variation +/- 5 % from the standard value	The growth of the net asset (influenced by the increase in the value of investment property) increases fair value and vice versa decreases fair value
	4.384.134	approach by market comparisons	similar transactions with company shares or comparable companies							
	15.748.341	net asset-adjusted approach	annual and half-yearly historical financial statements		Discount: Lack of liquidity, minority package, low profitability					
Total	**1.092.598.500**									

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On 31 December 2022, financial assets measured at fair value classified in level 3 shall be reported as follows:

Financial assets	**Fair value 31/12/22**	**Assessment technique**	**Input data used**		**Unobservable input data**	**Weighted average cost of capital**		**Capitalization rate**		**Sensitivity**
Financial investments, dd.c:	**999.501.839**					**Standard values**	**Lime vs standard value**	**Standard values**	**Lime vs standard value**	
non-listed or no active market majority ownership	**266.791.176**	income approach - discounted cash flow method	Turnover, EBITDA for each major holding	Variation +/- 5 % from the standard value	Weighted average cost of capital	10,4%-35,1%	Variation +/- 5 % from the standard value			The increase in EBITDA (influenced by revenue growth and/or cost decreases) and the decrease in wacc increases fair value and vice versa leads to a decrease in fair value
non-listed or no active market majority ownership	**675.854.129**	net asset-adjusted approach	Net assets corrected for each majority holding within the holding type	Variation +/- 5 % from the standard value of assets and liabilities	unit rent and capitalization rate for real estate investments (major influence net asset)			8% to 11% when valuing fixed assets (majority share in total assets)	Variation +/- 5 % from the standard value	The growth of the net asset (influenced by the increase in the value of investment property) increases fair value and vice versa decreases fair value
non-quoted majority ownership - by sale value (ongoing contracts)	**38.903.269**	Contract to dispose of ownership in the measured entity (not completed on the balance sheet date)								
this is the amount of tier 1 subordinated liabilities issued over the reporting period	**1.040.278**	approach by market comparisons	sale of shares held after the balance sheet date (fair value indication)							
	3.317.920	approach by market comparisons	similar transactions with company shares or comparable companies							
	13.595.066	net asset-adjusted approach	annual and half-yearly historical financial statements		Discount: Lack of liquidity, minority package, low profitability					
Total	**999.501.839**									

16. Financial assets measured at fair value through other comprehensive income (shares)

The fair value of the shares for which the company selected the option to reflect fair value accounting through other comprehensive income on 31 December 2023 and 31 December 2022 is shown below, structured around the main sectors of economic activity. The company has chosen, at the time of transition to IFRS 9 that is at the time of initial recognition of new acquisitions, this disclosure required by IFRS 9 provided that this option is consistent with the company's investment strategy and horizon for these investments.

In ROL	31 december 2023	%	31 december 2022	%
Financial intermediation and insurance	1.559.710.60	78,9%	1.320.286.502	81,3%
Manufacturing	9.290.036	0,5%	24.312.175	1,5%
Hotels and restaurants	62.912.186	3,2%	31.286.994	1,9%
Wholesale and retail trade, repair of motor vehicles	230.430	0,0%	257.688	0,0%
Production and supply of energy, gas, water	28.800.000	1,5	-	-
Mining and quarrying	203.994.153	10,3%	149.134.107	9,2%
Other activities	-	0,0%	701.349	0,0%
Financial services applicable to real estate	61.932.553	3,1%	56.882.053	3,5%
Construction	4.377.211	0,2%	3.277.721	0,2%
Transport and storage	46.044.950	2,3%	38.232.508	2,4%
Agriculture, forestry and fishing	39.615	0,0%	151.925	0,0%
TOTAL	**1.977.331.822**	**100,0%**	**1.624.523.020**	**100,0%**

Dividend income on shares measured at fair value through other comprehensive income is presented separately in Note 7.

The movement of financial assets measured at fair value through other comprehensive income in the year 2023 is shown in the following table:

In ROL

	Actions*
1 january 2023	**1.624.523.020**
Procurement	23.748.220
Sales	(183.810.181)
Change in fair value (including exchange rate differences)	512.870.764
31 december 2023	**1.977.331.822**

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

The share entries in 2023, in a total amount of lei 23,7 Mn mainly include the acquisition of shares CH Intercontinental SA Bucharest and Hidroelectrica.
The share sales in the amount of lei 183.8 Mn mainly include the Exit in Erste Bank, which generated a gain of 1.436.069.

The movement of financial assets measured at fair value through other comprehensive income in the year 2022 is shown in the following table:

In ROL	**Actions***	**Corporate bonds****
1 january 2022	**1.554.069.140**	**5.283.259**
Procurement	357.288.563	
Sales	(3.213.710)	(5.164.320)
Change in interest receivable		(9.822)
Annex V.Part 2.247(b)	(283.620.973)	(109.118)
31 december 2022	**1.624.523.020**	-

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

The stock entries in 2022, totaling lei 357,3 Mn include mainly the acquisition of shares of SIF Muntenia, OMV Petrom, CH Intercontinental SA Bucharest, SIF Oltenia and its impact.
The share sales in the amount of lei 3,2 Mn mainly include Exhitions from the Reva, Transgex and Prospections companies. The net result of the transactions in the amount of lei 2,1 Mn was transferred to the retained result.
The debenture outflows shall include the value of impact bonds received at maturity (December 2022).

Reserves from the revaluation of financial assets designated at fair value through other comprehensive income

In ROL	**2023**	**2022**
On 1 January	**741.827.359**	**984.425.325**
(Gains)/losses on fair value measurement of financial assets measured at fair value through other comprehensive income	512.870.764	(283.698.905)
(Gains)/ losses on financial assets and liabilities designated at fair value through profit or loss by instrument	(106.766.363)	(2.119.796)
(Gain)/loss transferred to the profit and loss account of financial assets measured at fair value through other comprehensive income out of the portfolio	-	-
The related deferred income tax effect	(52.526.852)	43.220.735
On 31 December	**1.095.404.908**	**741.827.359**

During 2023, the amount of lei 106.766.363 represents mostly the difference from marking to market accumulated until the date of disposal.

During 2022, from a result related to the assets disposed of of lei 2.119.796 transferred to the retained earnings, lei 1.530.767 represents differences in marking-to-market accumulated until the date of disposal and lei 589.030 the difference in value between the selling price and the book value at the date of disposal.

17. Tangible assets

In ROL	Land and buildings	Technical installations and means of transport	Other equipment, machinery and furniture	Total
Cost				
On 1 January 2023	**3.734.817**	**2.179.631**	**425.248**	**6.339.695**
Revaluation				-
Procurement	-	49.269	19.321	68.590
Outputs	-	(40.617)	(5.949)	(46.566)
On 31 December 2023	**3.734.817**	**2.188.283**	**438.620**	**6.361.720**
Accumulated depreciation and impairment losses				
On 1 January 2023	**391.930**	**1.859.030**	**377.255**	**2.628.216**
Revaluation related depreciation	-	-	-	-
Depreciation expense	129.128	107.261	19.944	256.333
Outputs		(40.617)	(5.949)	(46.566)
On 31 December 2023	**521.059**	**1.925.674**	**391.250**	**2.837.983**
Net book value				
On 1 January 2023	**3.342.887**	**320.600**	**47.993**	**3.711.480**
On 31 December 2023	**3.213.758**	**262.608**	**47.370**	**3.523.737**

In ROL	Land and buildings	Technical installations and means of transport	Other equipment, machinery and furniture	Total
Cost				
On 1 January 2022	**3.734.817**	**2.058.775**	**437.181**	**6.230.773**
Revaluation	-	-	-	**-**
Procurement	-	152.577	19.217	171.794
Outputs	-	(31.721)	(31.151)	(62.872)
On 31 December 2022	**3.734.817**	**2.179.631**	**425.248**	**6.339.695**
Accumulated depreciation and impairment losses				
On 1 January 2022	**262.240**	**1.741.054**	**387.232**	**2.390.525**
Revaluation related depreciation	-	-	-	**-**
Depreciation expense	129.691	149.698	21.174	300.562
Outputs		(31.721)	(31.151)	(62.872)
On 31 December 2022	**391.930**	**1.859.030**	**377.255**	**2.628.216**
Net book value				
On 1 January 2022	**3.472.577**	**317.721**	**49.950**	**3.840.248**
On 31 December 2022	**3.342.887**	**320.600**	**47.993**	**3.711.480**

18. Other financial liabilities

In ROL	31 december 2023	31 december 2022
Liabilities to employees and related contributions	2.832.448	2.760.306
Taxes and duties	8.508.939	414.346
Domestic suppliers and creditors	1.061.048	11.863.722
Total	**12.402.436**	**15.038.374**

19. Deferred tax liabilities

The assets and liabilities related to tax deferred on 31 December 2023 are generated by the items detailed in the following table:

In ROL	**Assets**	**Liabilities**	**Net**
Financial assets at fair value through the profit and loss account	-	-	-
Financial assets at fair value through other comprehensive income	-	1.127.996.570	(1.127.996.570)
Tangible assets and investments in real estate	-	14.834.647	(14.834.647)
Total	**-**	**1.142.831.216**	**(1.142.831.216)**
Net temporary differences – 16% share	-		**(182.852.994)**
Deferred tax liabilities	-	-	**(182.852.994**)

The assets and liabilities related to tax deferred on 31 December 2022 are generated by the items detailed in the following table:

In ROL	**Assets**	**Liabilities**	**Net**
Financial assets at fair value through the profit and loss account	-	-	-
Financial assets at fair value through other comprehensive income	-	839.844.596	(839.844.596)
Tangible assets and investments in real estate	-	13.572.403	(13.572.403)
Total	**-**	**853.416.999**	**(853.416.999)**
Net temporary differences – 16% share	-	-	**(853.416.999)**
Deferred tax liabilities	-	-	**(136.546.721)**

Deferred income tax liabilities in the balance at 31 December 2023 in the amount of lei 182.852.996 (2022: Lei 136.546.721) include:
deferred income tax recognized directly by reducing other comprehensive income items to lei 180.479.451 (2022: lei 130.389.332), being generated by reserves on financial assets measured at fair value through other comprehensive income,
deferred tax related mainly to differences in inflation of financial assets, impairment adjustments and real estate investments, in the amount of lei 2.373.543 recognized in retained earnings.

Deferred income tax liability movement table

	Article 01 01/2023	Profit and loss account increases/decreases	Increases/decreases in other comprehensive income	Article 31 12/2023
Financial assets measured at fair value through other comprehensive income	134.375.136	-	46.104.316	180.479.452
Tangible assets and investments in real estate	2.171.585	205.437	(3.478)	2.373.544
Total	**136.546.721**	**205.437**	**46.100.838**	**182.852.994**

	Article 01 01/2022	Profit and loss account increases/decreases	Increases/decreases in other comprehensive income	Article 31 12/2022
Financial assets measured at fair value through other comprehensive income	177.780.380	-	(43.405.244)	134.375.136
Tangible assets and investments in real estate	2.177.496	(2.432)	(3.480)	2.171.585
	179.957.876	**(2.432)**	**(43.408.724)**	**136.546.721**

20. Capital and reserves

a. Share capital

On December 31, 2023, the share capital of Lion capital S.A. is lei 50.751.006 being divided into 507.510.056 shares with a nominal value of lei 0,1 and is the result of direct subscriptions to Lion's share capital, by converting into shares the amounts due as dividends under law no 55/1995 and the effect of law 133/1996. On 31 December 2023, the number of shareholders was 5.737.765 (31 December 2022: 5.741.164).

Shares issued by Al Lion capital S.A are traded on the Bucharest stock Exchange since November 1999. The stock and shareholder records are kept by the Central depository company S.A. Bucharest.

All shares are ordinary, subscribed and paid in full on 31 December 2023 and 31 December 2022. All the shares have the same voting rights and have a nominal value of lei 0,1/share. The number of shares authorized to be issued shall be equal to that of the shares issued.

The AGEA of 27 April 2020 approved:
Use of 880.000 shares, owned by the company and redeemed pursuant to the AGEA judgment of 26 April 2018, for distribution free of charge to members of the company's management, within the framework of the "stock Option Plan" approved by the AGEA judgment of 22 April 2019. The Board of Directors of the company approved at the end of May 2020 the " *share-based payment Plan* ", which was finalized in May 2021.
The carrying out of a program of redemption of 15.000.000 own shares ("Program I") by the company with the aim of reducing its share capital and the repurchase of no more than 880.000 shares ("Program II") , for distribution free of charge to members of the management of the company, with a view to their fidelity, As well as the compensation for the activity carried out within the company, according to the performance criteria laid down by the Management Board. The Board of Directors of the company approved in August 2020 the " *share-based payment Plan* ", which was finalized in December 2021.

The AGEA of 2 November 2020 approved:
The in-part revocation of the decision of the extraordinary General Assembly of the shareholders dated April 22, 2019, published in the Official Gazette of Romania, Part IV, No 2154/23.05.2019, and Article 1 of

this judgment, by which a program for the redemption of up to 15.000.000 own shares has been approved;
Carrying out a program of redemption of own shares ("Program 3") by the company with a view to reducing its share capital. The maximum number of shares that can be redeemed is 15.000.000 shares at most.

The AGEA of 11 October 2021 approved:
The carrying out of a program for the redemption of own shares ('Program 4') by the company for distribution free of charge to members of the company's management (directors, directors) with a view to ensuring their loyalty and to rewarding their business, According to performance criteria to be established by the Management Board. The maximum number of shares that can be redeemed is 880.000 shares at most. The distribution of the shares will be carried out under a stock Option Plan, in compliance with applicable legislation. The Board of Directors of the company approved in January 2022 the “ *share-based payment Plan* ”, which is ongoing.

The AGEA of 25 November 2021 approved:
The method of allocating the 8.792.307 own shares redeemed by the company under repurchase programs previously approved by the general meeting of shareholders with a view to reducing the share capital and for distribution free of charge to members of the management of the company, Programs carried out through the implementation of the purchase offer approved by the Financial Supervisory Authority in Decision No 1166/22.09.2021, as follows: The allocation of 7.912.307 shares with a view to reducing the share capital of the company and the allocation of 880.000 shares with a view to distribution free of charge to the members of the company’s management.

The AGEA of 28 April 2022 approved:
Reduction of the company's share capital from lei 51.542.236,3 to lei 50.751.005,6 as a result of the cancellation of 7.912.307 own shares acquired by the company, under the programs for the redemption of own shares. The capital reduction was completed in December 2022.
Carrying out a program for the redemption of own shares ("Program 6") for distribution free of charge to the members of the company's management (directors, directors), with a view to ensuring their loyalty, as well as rewarding for the business carried out within the company, according to performance criteria to be determined by the board of directors. The maximum number of shares that can be redeemed is 990.000 shares at most. The actions will be distributed under a stock Option Plan, in compliance with applicable legislation.

Program	Allocation date	Number of shares	Action price*	Total program value	Amount recognized in expenditure in 2023
Program approved by the AGEA of 28 April 2022	January 2023	990.000	2,45	2.425.500	2.315.317
				Total	**2.315.317**

**as per allocation document*

Program	Allocation date	Number of shares	Action price*	Total program value	Amount recognized in expenditure in 2022
Program approved by the AGEA of 11.10.2021	January 2022	880.000	2,48	2.182.400	2.000.537
				Total	**2.000.537**

**as per allocation document*

In ROL	**31 december 2023**	**31 december 2022**
Share capital	50.751.006	51.542.236
Total	**50.751.006**	**51.542.236**

b. Retained earnings

In ROL	**31 december 2023**	**31 december 2022**
This is the amount of Tier 1 instruments that an institution could be eligible to apply under the relevant national GAAP	422.323.709	422.323.709
Retained earnings from the application of IFRS 9 (including gains on transactions)	401.889.895	312.836.518
The result of the exercise	417.255.132	95.467.147
Other recognized amounts in retained earnings (statutory reserves, revaluation reserves, tangible assets, etc.)	2.220.252	2.220.252
Total	**1.243.688.988**	**832.847.626**

c. Other reserves

In ROL

	31 december 2023	**31 december 2022**
Net profit reserves	1.445.827.091	1.350.359.944
Reserves created as a result of the application of Law No 133/1996*	145.486.088	145.486.088
Prescribed dividend reserves	88.420.910	88.420.910
Exchange rate reserves and investment facilities	19.832.946	19.832.946
Total	**1.699.567.034**	**1.604.099.887**

The reserve on the initial portfolio was set up following the application of Law No 133/1996, as the difference between the value of the portfolio to be provided and the value of the subscribed share capital. These reserves are thus treated as a premium contribution and are not used for the sale of fixed securities.

d. Legal reserves

According to the legal requirements, the company shall constitute legal reserves of 5 % of the profits recorded in accordance with the applicable accounting regulations up to a level of 20 % of the share capital under the Articles of Association Act. The value of the legal reserve on December 31, 2023 is lei 10.150.201 (December 31, 2022: Lei 10.150.201). The decrease in the legal reserve during 2022 was made as a result of the reduction in the share capital.
Legal reserves may not be distributed to shareholders.

e. other financial liabilities

This reserve includes accumulated net changes in fair value of financial assets measured by other comprehensive income from the date of their classification into this category until the date when they were derecognized or impaired.
The reserves are recorded net of the related deferred tax. The amount of deferred tax recognized directly by the reduction of equity capital is shown in Note 22.
The following table shows the reconciliation of net differences in fair value changes for financial assets measured through other comprehensive income:

In ROL	**31 december 2023**	**31 december 2022**
Changes in fair value for financial assets measured through other comprehensive income (shares)	1.095.404.908	741.827.359
Total	**1.095.404.908**	**741.827.359**

(F) dividends

The distribution of dividends from the profits of the financial year 2022 was not approved during 2023.
In 2022, the distribution of a gross dividend of lei 0,06 per share for the financial year 2021 was approved.

21 result per share

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

In ROL	**2023**	**2022**
Profit attributable to ordinary shareholders	417.255.132	95.467.148
Weighted average number of ordinary shares*	507.510.056	507.510.056
The base result per share	**0,8222**	**0,1881**

**taking into account their redeemed shares*

The result per diluted share is equal to the result per basic share as the company did not register potential ordinary shares.
In 2023 and 2022 there were no changes in accounting policies or new standards adopted that would affect output per share and require disclosure in accordance with IAS 8.

22. Commitments and contingent liabilities

a. Legal proceedings

On 31 December 2023, the company's records contained 50 litigation pending before the courts. The company had an active procedural capacity in 39 disputes, standing passive in 11 disputes and being an intervener in a dispute.

In most cases where the company is a claimant, the object of the litigation is the annulment/establishment of nullity of decisions of general meetings of shareholders in portfolio companies or the insolvency proceedings of portfolio companies.

b. Transfer price

The Romanian tax legislation contains rules on transfer pricing between related persons as early as 2000. The current legal framework defines the principle of “market value” for transactions between related persons as well as the methods of fixing transfer prices. As a result, it is expected that the tax authorities will initiate in-depth transfer pricing checks to ensure that the tax result is not distorted by the effect of prices in related relationships. The company cannot quantify the result of such verification.

23. Affiliated parties

Parties shall be deemed to be affiliated if one of the parties has the ability to control or exert significant influence over the other party in making financial or operational decisions.

The company identified in the course of its business the following related parties:

Key management personnel

31 december 2023

- On December 31, 2023, the board of directors of Lion capital S.A. was made up of 5 members: Bogdan-Alexandru Dragoi-president, Razvan-Radu Straut-vice-president, Sorin Marcel Pfister and Ionel Marian Ciucii.
- On December 31, 2023 Executive Board members of Lion capital S.A: Bogdan-Alexandru Dragoi – Director General, Razvan-Radu Straut – Deputy Director General, Teodora Sferdian – Deputy Director General (mandate ended 1 October 2023) and Laurentiu Rivis – Director.

31 december 2022

- On December 31, 2022, the board of directors of Lion capital S.A. was made up of 5 members: Bogdan-Alexandru Dragoi-president, Razvan-Radu Straut-vice-president, Sorin Marcel Pfister and Ionel Marian Ciucii.
- On December 31, 2022 Executive Board members of Lion capital S.A: Bogdan-Alexandru Dragoi – Director General, Razvan-Radu Straut – Deputy Director General, Teodora Sferdian – Deputy Director General and Laurentiu Rivis – Director.

During the financial year, no transactions were carried out and no advances and credits were granted to the directors and managers of the company, except for advances for travel in the interests of the service.

During 2023 the gross amounts paid to members AS well as to directors (authorized by the ASF) amounted to lei 8.948 thousand (2022: Lei 8.612).
The company did not receive or grant any guarantee to any related party.

Subsidiaries

The subsidiaries of the company as at 31 December 2023 and 31 December 2022 are as follows:

Company name	Ownership percentage at 31 December 2023	Ownership percentage at 31 December 2022	
SIF REAL ESTATE PLC NICOSIA	99,9997%	99,9997%	
SAI MUNTENIA INVEST SA BUCHAREST	99,98%	99,98%	
SIF1 IMGB SA	99,99%	99,92%	
NAPOMAR SA CLUJ-NAPOCA	99,43%	99,43%	
SIF HOTELS SA ORADEA	98,99%	98,99%	
AZUGA TOURISM SA BUCHAREST	98,94%	98,94%	
REAL ESTATE ADMINISTRATION SA BUCHAREST	97,40%	97,40%	
SILVANA SA CEHU SILVANIEI	-	96,28%	(F
ARIO SA BISTRITA	93,64%	93,64%	(F
IAMU SA BLAJ	96,53%	76,70%	
CENTRAL SA CLUJ-NAPOCA	%	74,53%	
VRANCART SA	76,05%	75,50%	
SIF SPV TWO SA BUCHAREST	99,99%	99,99%	
UNITEH SA BUCHAREST*	36,34%	36,34%	
SIFI CJ LOGISTIC SA BUCHAREST*	5,53%	5,53%	

C 62.90 - credit institutions (CLPs

Associated entities

The associated entities of the company as at 31 December 2023 and 31 December 2022 are the following:

a. Entities in which the company has shares in more than 20 % of the share capital and in which it has significant influence:

Company name	Ownership percentage at 31 December 2023	Ownership percentage at 31 December 2022
BIOFARM SA BUCHAREST	36,75%	36,75%

b. Companies in which the company holds more than 20 % of the share capital but which do not qualify as associated entities because the company does not exercise significant influence in the companies:

Company name	Ownership percentage at 31 December 2023	Ownership percentage at 31 December 2022
GRAND HOTEL BUCHAREST SA	30,19%	29,99%
TARGOVISTE SA FOREST	25,75%	25,75%
HE WHIMED IULIA	-	23,24%
HIS MOLAR SUCEAVA	21,63%	21,63%

c. Holdings in excess of 20 % of share capital, but companies are in insolvency/liquidation/bankruptcy, etc.

Company name	**Ownership percentage at 31 December 2023**	**Ownership percentage at 31 December 2022**	**Statu s**
COMAR BAIA MARE	34,94%	34,94%	(F
ELBAC SA BACAU	32,45%	32,45%	(F
PETROCART	30.18%	30.18%	RJ
AGROPRODUCT RESITA	30,00%	30,00%	RJ
NADLAC AGROINSTRIALA	30,00%	30,00%	(F
ARDEAL ALBA IULIA FACTORY	29,51%	29,51%	(F
COMJOINT OCNA MURES	28,97%	28,97%	(F
MEBIS SA BISTRITA	26,78%	26,78%	INS
EXFOR SA BUCHAREST	24,23%	24,23%	(F
MOPAL SA BISTRITA	21,89%	21,89%	DIZ
TRANSYLVANIA AIUD	20,19%	20,19%	(F

INS: Insolvency
RJ: Judicial reorganization
DIZ: Dissolution
F: Bankruptcy
A. radiation

Transactions in the statement of profit or loss

	2023	**2022**
Income from dividends, of which:		
PLC real estate SIF	12.031.798	11.959.384
Azuga Tourism SA	763.276	989.355
SAI MUNTENIA INVEST SA	29.994.000	17.996.400
VRANCART SA	9.086.125	3.816.173
BIOFARM SA	10.862.898	8.690.318
IAMU SA	3.861.240	4.985.279
SIFI CJ LOGISTIC SA	915.365	-
Total	**67.514.701**	**48.436.909**
Interest income, showing:		
VRANCART SA	3.252.690	2.766.775
SIF SPV TWO SA	4.625.330	1.103.608
Total	**7.878.020**	**3.870.383**
Other expenditure, showing that:		
MANAGEMENT OF REAL ESTATE SA — rents, operating expenses	295.895	333.323
GAS WEST SA — natural gas	-	(350)
	295.895	**332.973**

Transactions by statement of financial position

	2023	2022
Other claims, showing that:		
VRANCART SA-principal bonds	37.612.296	37.612.296
VRANCART SA-interest	573.630	700.722
SIF Sov TWO SA — main loan	31.840.269	115.805.211
SIF SPV TWO SA – interest receivable	448.545	1.107.295
GAS WEST SA – dividends receivable	-	2.607.914
Total	**70.474.741**	**157.833.437**
Other liabilities, showing		
REAL ESTATE MANAGEMENT SA	987	36
Total	**987**	**36**

The following operations were carried out with the subsidiaries during 2023:

- Vrancart SA – participation in the increase of the share capital in cash by lei 37.846.593, representing cval. 377.584.668 actions;
- IAMU SA participation in the increase of the share capital in cash by an amount of 18.842.890 lei, representing cval. 1.884.289 actions;
- Central S.A. a full sale of the stake, the value of the transaction being lei 40,3 mn.

The following operations were carried out with the subsidiaries during 2022:

- Vrancart SA – participation in the increase of the share capital in cash by lei 378.149, representing cval. 3.437.717 shares and direct acquisitions at BVB in the amount of lei 279.314, representing 1.689.436 shares.
- Gas Vest SA Arad – the sale of the entire stake held in 2022, the value of the transaction being lei 27,2 million

24. Reporting by activity segment

Activity segments information

Business segments are components that engage in commercial activities, that may generate revenue or expenditure, the operating results of which are periodically reviewed by the main decision maker (CODM) and for which discrete financial information is available. CODM is the person or group of persons who allocates resources and evaluates the performance of the entity. The Commission therefore concluded that the measures in question were not in line with the general interest of the Union.

Description of the products and services from which each Reportable segment derives its revenues

The company is organized on the basis of a principal business segment, its main business being the making of financial investments, in order to increase the value of its treasury shares in accordance with the regulations in force and the subsequent management of the investment portfolio and exercise all related rights to the instruments invested.

Factors that have been used by leadership to identify Reportable segments

The company considered that it had only one segment of activity as it had only one strategic business unit.
The financial information of the segment being reviewed by CODM includes the investment portfolio of the company, mainly financial assets, as well as the dividend income of the company. CODM obtains the financial statements of the company prepared in accordance with IFRS. This financial information overlaps with the analysis of the internally provided segment at CODM. As such, the management applied the basic principle of IFRS 8, business segments, in determining which of the overlapping sets of financial information should form the basis for operating segments.
Management considered that IFRS financial statements information was not available frequently enough to conclude that segment reporting should exclude any details other than information about the investment portfolio and dividend income.
Measurement of the segment's operating profit, i.e. the assets and liabilities attributable to the segment

The CODM shall review the IFRS financial statements and assess the performance of the profit-based segment before tax.

25. Events after the balance sheet date

On 20 December 2023 the BRD Groupe Société Générale, in which Lion capital S.A. had a 1,95 % holding on 31 December 2023, informed the shareholders of the start of the payment of dividends for the financial year 2022 on 26 January 2024. All BRD shareholders registered in the Register of shareholders, held by Central depository S.A. on 8 January 2024 (registration date), are entitled to receive dividends for 2022 with ex-data of 5 January 2024. Thus, on January 26, 2024, the company received 11.556.725 lei.

On 19 February 2024, the company signed a contract to sell its shares in the subsidiary Azuga Tourism S.A., the value of the transaction being EUR 8.990.000 + interest (equivalent to lei 44.745.927 + interest).

Annex 10
as per Reg. 7/2020

STATEMENT OF
Lion Capital S.A. assets and liabilities
AIFRI established by a constitutive act
31.12.2023 - restated***

No.	ITEM	VALUE [RON]
1	**Intangible assets**	**43,598**
2	**Tangible assets**	**3,534,418**
3	**Investment property**	**14,363,411**
4	**Biological assets**	**-**
5	**Assets representing rights to use the underlying assets in a leasing contract**	**227,961**
6	**Financial assets**	**3,840,207,942**
6.1	**Financial assets measured at amortized cost**	**-**
6.2	**Financial assets measured at fair value through profit and loss**	**1,867,262,839**
6.2.1	**Shares**	**1,434,268,267**
6.2.1.1	Admitted to trading on a trading venue	1,131,591,619
6.2.1.2.1	in Romania	1,131,591,619
6.2.1.2.1.1	Traded in the last 30 trading days	514,927,869
6.2.1.2.1.2	Not traded in the last 30 trading days	616,663,749
6.2.1.2.2	in a Member State	-
6.2.1.2.3	in a third country	-
6.2.1.2	Not admitted to trading	302,676,649
6.2.1.2.1	in Romania	302,676,649
6.2.1.2.2	in a Member State	-
6.2.1.2.3	in a third country	-
6.2.2	**Corporate bonds**	**37,448,430**
6.2.2.1	**Admitted to trading on a trading venue**	**37,448,430**
6.2.2.1.1	in Romania	37,448,430
6.2.2.2.1.1	Traded in the last 30 trading days	-
6.2.2.2.1.2	Not traded in the last 30 trading days	37,448,430
6.2.2.1.2	in a Member State	-
6.2.2.1.3	in a third country	-
6.2.2.2	**Not admitted to trading**	**-**
6.2.3	**Securities of AIF / UCITS**	**395,546,142**
6.2.3.1	**Shares**	**-**
6.2.3.2	**Fund units**	**395,546,142**
6.2.3.2.1	Admitted to trading on a trading venue	-
6.2.3.2.2	Not admitted to trading	**395,546,142**
6.2.3.2.2.1	in Romania	356,006,382
6.2.3.2.2.2	in a Member State	-
6.2.3.2.2.3	in a third country	39,539,760
6.3	**Financial assets measured at fair value through other comprehensive income**	**1,972,945,102**
6.3.1	**Shares**	**1,710,816,606**
6.3.1.1	Addmitted to trading on a trading venue	1,550,373,562
6.3.1.2.1	in Romania	1,550,373,562
6.3.1.2.1.1	Traded in the last 30 trading days	1,549,402,468
6.3.1.2.1.2	Not traded in the last 30 trading days	971,093
6.3.1.2.2	in a Member State	-
6.3.1.2.2.1	Traded in the last 30 trading days	-
6.3.1.2.2.2	Not traded in the last 30 trading days	-
6.3.1.2.3	in a third country	
6.1.1.2.3.1	Traded in the last 30 trading days	
6.1.1.2.3.2	Not traded in the last 30 trading days	
6.3.1.2	Not admitted to trading	160,443,044
6.3.1.2.1	in Romania	160,443,044
6.3.1.2.2	in a Member State	
6.3.1.2.3	in a third country	
6.3.2	**Corporate bonds**	**-**
6.3.2.1	Admitted to trading on a trading venue	-
6.3.2.1.1	in Romania	-
6.3.2.2.1.1	Traded in the last 30 trading days	-
6.3.2.2.1.2	Not traded in the last 30 trading days	-
6.3.2.1.2	in a Member State	-
6.3.2.1.3	in a third country	-
6.3.2.2	Not admitted to trading	-
6.3.3	**Securities of AIF / UCITS**	**262,128,497**
6.3.3.1	**Shares**	**262,128,497**
6.3.3.1	Admitted to trading on a trading venue	262,128,497
6.3.3.1.1	in Romania	262,128,497
6.3.3.1.1.1	Traded in the last 30 trading days	262,128,497
6.3.3.1.1.2	Not traded in the last 30 trading days	-
6.3.3.2.2	in a Member State	
6.3.3.2.3	in a third country	
6.3.3.2	Not admitted to trading	-
6.3.3.2	**Fund units**	**-**
7	**Cash available (cash and cash equivalent)**	**1,160,650**
8	**Bank deposits**	**407,653,802**
9	**Other assets:**	**33,008,303**
9.1	Dividends or other receivables	-
9.2	Other assets	33,008,303
9.2.1	Loans granted to subsidiaries	32,288,814
10	**Accrued expenses**	**274,037**
11	**Total assets**	**4,300,474,120**
12	**Total liabilities**	**205,400,786**
12.1	Financial liabilities measured at amortized cost	22,547,792
12.2	Deferred income tax liabilities	182,852,994
12.3	Other liabilities	-
13	**Provisions for risks and expenses**	-
14	**Deferred income**	13,593
15	**Equity, of which:**	**4,100,371,782**
15.1	Share capital	50,751,006
15.2	Items treated as equity	632,757,735
15.3	Other components of equity	1,097,564,757
15.4	Premium related to capital	-
15.5	Revaluation reserves	1,176,569
15.6	Reserves	3,669,906,839
15.7	Treasury shares*	-2,526,773
15.8	Retained earnings	761,156,075
15.9	Retained earnings first-time adoption of IAS 29 (debtor account)	-2,527,669,558
15.10	Result for the period	417,255,132
16	**Net Asset Value**	**4,095,059,742**
17	**Number of outstanding shares****	506,520,056
18	**Net Asset Value per Share**	**8.0847**
19	**Number of companies in the portfolio, of which:**	73
19.1	Companies admitted to trading on an EU trading venue	25
19.2	Companies admitted to trading on a stock exchange in a third country	-
19.3	Companies not admitted to trading	48

NOTE
* Value of treasury shares, repurchased under the PTO carried out between February 16 - March 1, 2023
** As per Art. 123, par. (3) of ASF Regulation no. 9/2014, this position presents the number of shares issued by the company and outstanding as of the reporting date, on the basis of which the unit value of the net asset is calculated. Treasury shares at the reporting date are not included. As of the date of this report, out of the total of 507,510,056 issued shares, the company holds 990,000 own shares, repurchased under the PTO carried out between February 16 and March 1, 2023.
*** NAV as of 31.12.2023 was restated as follows: portfolio items (shares) valued on the basis of valuation reports - recorded at present values as of 31.12.2023; non-portfolio items - based on the final balance sheet that formed the basis for the preparation of the separate annual financial statements, audited, subject to the approval of the OGM of April 2024

This statement is provided as a free translation from Romanian, which is the official and binding version

Lion Capital S.A.

Depositary bank
Banca Comercială Română

ANNEX - according to art.38 par. (4) of Law 243/2019

Assets in Lion Capital portfolio evaluated using valuation methods in accordance with International Valuation Standards as of 31.12.2023 - restated

No.	Name of the issuer	Tax Indentification Code	Symbol	No. of shares held	No./date of valuation report	RON / share	Total value	Valuation method
Companies not admitted to trading where LC's stake is> 33% of the share capital								
1	AZUGA TURISM	28330211		786,882	202/05.02.2024	25.3200	19,923,852	income approach, discounted cash flow method
2	NAPOMAR	199176		10,256,241	200/05.02.2024	1.9778	20,284,793	income approach, discounted cash flow method
3	SAI MUNTENIA INVEST	9415761		119,976	201/05.02.2024	791.3833	94,947,003	income approach, discounted cash flow method
4	SIF SPV TWO	40094500		119,988	207/05.02.2024	50.5737	6,068,237	asset approach, corrected Net Asset method
5	Administrare Imobiliare SA	20919450		16,049,741	206/05.02.2024	3.5032	56,225,453	asset approach, corrected Net Asset method
6	SIF1 IMGB	380430		199,993	204/05.02.2024	1282.0437	256,399,766	asset approach, corrected Net Asset method
Companies admitted to trading with irrelevant liquidity for the application of the mark to market valuation method (according to Art.114 par. (4) of Reg.9 / 2014)								
7	SIF Imobiliare PLC	HE323682	SIFI	4,499,961	205/05.02.2024	95.4800	429,656,276	asset approach, corrected Net Asset method
8	SIF Hoteluri	56150	CAOR	31,820,906	203/05.02.2024	3.0156	95,959,124	income approach, discounted cash flow method
9	IAMU	1766830	IAMU	9,170,588	199/05.02.2024	9.9283	91,048,349	income approach, discounted cash flow method

Leverage and exposure calculated in accordance with the provisions of Regulation (EU) no. 231/2013

Method for calculating AIFRI exposure	Exposure value (RON)	Leverage (%)
Gross method	3,886,871,583	94.92%
Commitment method	4,095,059,742	100%

Lion Capital S.A.

Certification of Depositary Bank,
Banca Comercialã Românã

DETAILED STATEMENT OF LION CAPITAL'S INVESTMENTS as of 31.12.2023 - restated

ANNEX 11
Table 1

No.	ITEM	Beginning of the reporting period [31.12.2022] % of net asset	% of total assets	Currency	RON	End of the reporting period [31.12.2023] % of net asset	% of total assets	Currency	RON	Differences (RON)
I	**Total assets**	**105.01**	**100.00**	**167,709,148**	**3,233,474,391**	**105.02**	**100.00**	**200,626,294**	**4,099,847,827**	**899,290,581**
1	Securities and money market instruments, of which:	66.72	63.54	147,927,260	2,013,073,024	66.41	63.24	-	2,719,413,611	558,413,327
1.1	Securities and money market instruments admitted or traded on a regulated	62.16	59.19	-	2,013,073,024	66.41	63.24	-	2,719,413,611	706,340,587
1.1.1	shares	61.00	58.08		1,975,497,502	65.49	62.36		2,681,965,180	706,467,678
1.1.2	other securities assimilated to these	-	-	-	-	-	-	-	-	0
1.1.3	corporate bonds	1.16	1.10	-	37,575,522	0.91	0.87	-	37,448,430	-127,092
1.1.4	other debt securities	-	-	-	-	-	-	-	-	0
1.1.5	other securities	-	-	-	-	-	-	-	-	0
1.1.6	money market instruments	-	-	-	-	-	-	-	-	0
1.2	Securities and money market instruments admitted or traded on a regulated market in a member state	4.57	4.35	147,927,260.00	-	-	-	-	-	-147,927,260
1.2.1	shares	4.57	4.35	147,927,260	-	-	-	-	-	-147,927,260
1.2.2	other securities assimilated to these	-	-	-	-	-	-	-	-	0
1.2.3	corporate bonds	-	-	-	-	-	-	-	-	0
1.2.4	other debt securities	-	-	-	-	-	-	-	-	0
1.2.5	other securities	-	-	-	-	-	-	-	-	0
1.2.6	money market instruments	-	-	-	-	-	-	-	-	0
1.3	Securities and money market instruments admitted on a stock exchange in a third country or negotiated on another regulated market in a third country, that operates on a regular basis and is recognized and open to the public, approved by ASF, of which:	-	-	-	-	-	-	-	-	0
2	Newly issued securities	-	-		-	-	-		-	0
3	Other securities and money market instruments	15.22	14.49	-	492,834,410	11.31	10.77	-	463,119,692	-29,714,717
4	Bank deposits, of which:	0.20	0.20	-	6,636,683	9.95	9.48	200,180,333	207,473,469	401,017,119
4.1	bank deposits with credit institutions in Romania;	0.20	0.20	-	6,636,683	9.95	9.48	200,180,333	207,473,469	401,017,119
4.2	bank deposits with credit institutions in a Member State;	-	-	-	-	-	-	-	-	0
4.3	bank deposits with credit institutions in a third country.	-	-	-	-	-	-	-	-	0
5	Derivatives traded on a regulated market	-	-		-	-	-		-	0
6	Current accounts and cash	0.62	0.59	19,781,888	195,799	0.03	0.03	445,960	714,690	-18,817,036
7	Money market instruments other than those traded on a regulated market, as referred to in Art. 82(g) of GEO no. 32/2012 - Repo contracts on securities	-	-	-	-	-	-	-	-	0
8	Equity securities of AIF/UCITS (RO: FIA/OPCVM) of which:	17.79	16.94	-	576,114,967	16.06	15.29	-	657,674,638	81,559,672
8.1	AIF shares				213,175,169				262,128,497	48,953,327
8.2	UCITS fund units				362,939,797				395,546,142	32,606,344
9	Dividends or other rights receivable	-	-	-	-	-	-	-	-	0
10	Other assets (amounts in transit, amounts with distributors, with brokers, etc.).	4.47	4.25	-	144,619,509	1.26	1.20	-	51,451,726	-93,167,783
10.1	Loans granted to subsidiaries	3.61	3.44		116,912,505	0.79	0.75		32,288,814	-84,623,691
II	**Total liabilities**	**5.01**	**4.78**	**-**	**162,409,967**	**5.02**	**4.78**	**-**	**205,414,379**	**43,004,412**
1	Expenses for the payment of fees due to AIFM	-	-	-	-	-	-	-	-	0
2	Expenses for the payment of fees due to depositary bank	-	-	-	-	-	-	-	-	0
3	Expenses for the payment of fees due to intermediaries	-	-	-	-	-	-	-	-	0
4	Expenses on turnover fees and other banking services	-	-	-	-	-	-	-	-	0
5	Interest expenses	-	-	-	-	-	-	-	-	0
6	Issuance expenses	-	-	-	-	-	-	-	-	0
7	Expenses with the payment of commissions/fees due to ASF	-	-	-	-	-	-	-	-	0
8	Financial audit costs	-	-	-	-	-	-	-	-	0
9	Other approved expenses / liabilities	5.01	4.78	-	162,409,967	5.02	4.78	-	205,414,379	43,004,412
10	Redemptions payable	-	-	-	-	-	-	-	-	0
III	**Net Asset Value (I-II)**	**100.00**	**95.22**	**167,709,148**	**3,071,064,425**	**100.00**	**95.22**	**200,626,294**	**3,894,433,448**	**856,286,169**

Table 2

Statement of net asset value per share 31.12.2023 - restated

RON

ITEM	Current period	Corresponding period of the previous year	Differences
Net Asset Value	4,095,059,742	3,238,773,573	856,286,169
Number of fund units / shares outstanding	506,520,056	507,510,056	-990,000
Net asset value per share	8.0847	6.3817	1.7030

Table 3

DETAILED STATEMENT OF INVESTMENTS AS OF 31.12.2023 - restated

I. Securities admited or traded on a regulated market in Romania

1. Shares traded in the last 30 trading days (business days)

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Value of share	Total value	Stake of issuer's share capital	Weight in AIFRI total assets
					RON	RON	RON	%	%
1	BANCA TRANSILVANIA	TLV	29.12.2023	38,150,261	10.00	24.2600	925,525,332	4.7768	21.52
2	BIOFARM	BIO	29.12.2023	362,096,587	0.10	0.8240	298,367,588	36.7471	6.94
3	BRD - GROUPE SOCIETE GENERALE	BRD	29.12.2023	13,615,497	1.00	17.9200	243,989,706	1.9537	5.67
4	VRANCART	VNC	29.12.2023	1,286,197,217	0.10	0.1670	214,794,935	76.0516	4.99
5	OMV PETROM	SNP	29.12.2023	355,081,206	0.10	0.5745	203,994,153	0.5698	4.74
6	GRAND HOTEL BUCHAREST	RCHI	29.12.2023	251,648,743	0.10	0.2500	62,912,186	30.1902	1.46
7	CONPET	COTE	29.12.2023	562,740	3.30	81.8000	46,032,132	6.5000	1.07
8	S.P.E.E.H. HIDROELECTRICA	H2O	29.12.2023	225,000	10.00	128.0000	28,800,000	0.0500	0.67
9	BURSA DE VALORI BUCURESTI	BVB	29.12.2023	410,637	10.00	65.6000	26,937,787	5.1016	0.63
10	IMPACT DEVELOPER & CONTRACTOR	IMP	29.12.2023	21,700,000	0.25	0.2630	5,707,100	0.9173	0.13
11	SATURN	SATU	07.12.2023	346,926	2.50	11.0000	3,816,186	17.5385	0.09
12	SIFI CJ LOGISTIC	CACU	27.12.2023	54,486	2.50	32.4000	1,765,346	5.5275	0.04
13	ARCELOR MITTAL HUNEDOARA	SIDG	19.12.2023	5,921,324	0.10	0.2200	1,302,691	2.9820	0.03
14	PETROCART	PTRC	27.11.2023	11,852,163	0.50	0.0325	385,195	30.1767	0.01
	TOTAL						**2,064,330,338**		**48.00**

2. Shares not traded in the last 30 trading days (working) or measured by valuation methods

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Value of share	Total value	Stake of in issuer's share capital	Weight in AIFRI total assets
					RON	RON	RON	%	%
1	SIF IMOBILIARE	SIFI	15.05.2023	4,499,961	4.47	95.4800	429,656,276	99.9997	9.99
2	SIF HOTELURI	CAOR	19.12.2023	31,820,906	2.50	3.0156	95,959,124	98.9997	2.23
3	IAMU	IAMU	28.12.2023	9,170,588	2.50	9.9283	91,048,349	96.5310	2.12
4	PRIMACONSTRUCT	PCTM	10.10.2023	90,685	2.50	5.4192	491,440	15.6969	0.01
5	SOMETRA	SOMR	09.11.2023	72,444	2.50	3.8755	280,757	2.0840	0.01
6	INDUSTRIA SARMEI CAMPIA TURZII	INSI	26.04.2023	4,604,082	0.10	0.0432	198,896	1.2497	0.00
7	ICSH	ICSH	26.03.2012	84,500	2.50	-	-	1.2891	-
8	SIFI UNITEH	UNIT	12.08.2020	158,573	2.50	-	-	36.3399	-
9	TALC DOLOMITA	TALD	09.10.2015	167,108	2.50	-	-	7.8944	-
	TOTAL						**617,634,842.46**		**14.36**

3. Shares not traded in the last 30 trading days (working days) for which the financial statements are not obtained within 90 days from the legal date of submission
Not the case

4. Preference rights / allocation rights
Not the case

5. Bonds admitted to trading issued or guaranteed by authorities of local public administration / corporate bonds

No..	Issuer	Bond symbol	Date of last trading session	No. of bonds held	Date of acquisition	Date of coupon	Date of coupon maturity	Initial value	Daily increase	Cummulative interest	Discount / Premium	Market price	Total value	Weight in total issued bonds	Weight in AIFRI total assets
								RON	**RON**	**RON**	**RON**	**RON**	**RON**	**%**	**%**
1	VRANCART ADJUD	VNC24	17.07.2023	368,748	17.03.2017	25.10.2023	24.01.2024	36,874,800	8,436	573,630	-	102.00	37,448,430	96.4	0.87
	TOTAL												**37,448,430**		**0.87**

6. Bonds admitted to trading issued or guaranteed by central government authorities
Not the case

7. Other securities admited to trading on a regulated market
Not the case

8. Amounts being settled for securities admitted or traded on a regulated market in Romania

Issuer	Type of security	Symbol	Valuer per unit	No. of. traded securities	Total value	Stake of issuer's share capital/total bonds of a issuer	Weight in AIFRI total assets
			RON		RON	%	%
TOTAL					**0**		**-**

II. Securities admitted or traded on a regulated market in a Member State

1. Shares traded in the last 30 trading days (business days)

Issuer	ISIN code	Date of last trading session	No. of shares held	Nominal value*	Value of share	NBR currency rate EUR/RON	Total value	Stake in issuer's share capital	Weight in AIFRI total assets
				foreign currency	foreign currency	RON	RON	%	%

2. Bonds admitted to trading issued or guaranteed by authorities of local public administration , corporate bonds
Not the case

3. Bonds admitted to trading issued or guaranteed by central government authorities
Not the case

4. Other securities admitted to trading on a regulated market of a Member State
Not the case

5. Amounts under settlement for securities admitted or traded on a regulated market in a Member State
Not the case

III. Securities admitted or traded on a regulated market in a third country

1. Shares traded during last 30 trading days (business days)

2. Bonds admitted to trading issued or guaranteed by authorities of local public administration, corporate bonds, traded during last 30 days

3. Othes securities admitted to trading on a regulated market in a third country

4. Amounts under settlement for securities admitted or traded on a regulated market in a third country

Not the case

IV. Money market instruments admitted or traded on a regulated market in Romania

Amounts under settlement for money market instruments admitted or traded on a regulated market in Romania

Not the case

V. Money market instruments admitted or traded on a regulated market in another Member State

Amounts under settlement for money market instruments admitted or traded on a regulated market in another Mem

Not the case

VI. Money market instruments admitted or traded on a regulated market in a third country

Amounts under settlement for money market instruments admitted or traded on a regulated market in a third country

Not the case

VII. Newly issued securities

1. Newly issued shares

2. Newly issued bonds

3. Preference rights (after registration to central dpository, before admitted to trading)

Not the case

VIII. Other securities and money market instruments

VIII.1 Other securities

1. Shares not admitted to trading

Nr. crt.	Issuer	No. of shares held	Nominal value	Value of share	Total value	Stake in issuer's share capital	Weight in AIFRI total assets
			RON	RON	RON	%	%
1	SIF 1 IMGB	199,993	2.50	1,282.0437	256,399,766	100.00	5.96
2	SAI MUNTENIA INVEST	119,976	10.00	791.3833	94,947,003	99.98	2.21
3	ADMINISTRARE IMOBILIARE	16,049,741	2.50	3.5032	56,225,453	97.40	1.31
4	NAPOMAR	10,256,241	1.60	1.9778	20,284,793	99.43	0.47
5	AZUGA TURISM	786,882	17.50	25.3200	19,923,852	98.94	0.46
6	SIF SPV TWO	119,988	1.00	50.5737	6,068,237	99.99	0.14
7	EXIM BANCA ROMANEASCA	414,740	6.00	12.6208	5,234,351	0.32	0.12
8	DEPOZITARUL CENTRAL	9,878,329	0.10	0.1354	1,337,526	3.91	0.03
9	CCP.RO BUCHAREST	142,500	10.00	8.2086	1,169,726	1.57	0.03
10	SPUMOTIM	12,398	2.50	42.0811	521,721	3.99	0.01
11	AMIS MOB	12,607	2.50	30.9623	390,342	8.12	0.01
12	FORESTIERA	42,269	2.50	5.0593	213,852	25.75	0.00
13	STREIUL	9,344	2.50	21.7317	203,061	17.44	0.00
14	APRO HOREA	8,220	2.50	18.9719	155,949	13.54	0.00
15	AUTODANUBIUS	11,653	2.50	3.7811	44,061	14.04	0.00
16	BANCA COMERCIALA ROMANA	1	0.10	0.7500	1	-	0.00
17	AGROINDUSTRIALA INEU	59,755	2.50	0.0000	0	11.50	0.00
18	AGROINDUSTRIALA NADLAC	66,406	2.50	0.0000	0	30.00	0.00
19	AGROPRODUCT RESITA	72,720	2.50	0.0000	0	30.00	0.00
20	ARCER	83,213	2.50	0.0000	0	19.70	0.00
21	ARIO	3,523,021	3.70	0.0000	0	93.64	0.00
22	AVERSA	142,699	2.50	0.0000	0	2.14	0.00
23	BANCA INTERNATIONALA A RELIGIILOR	186,849	1.00	0.0000	0	0.93	0.00
24	BRAFOR	5,928,744	0.10	0.0000	0	2.69	0.00
25	COMAR	40,601	2.50	0.0000	0	34.94	0.00
26	COMBINATUL DE UTILAJ GREU	409,572	4.00	0.0000	0	5.02	0.00
27	COMMIXT	10,543	2.50	0.0000	0	28.97	0.00
28	CONTOR GROUP	2,900,049	0.10	0.0000	0	1.50	0.00
29	CUART	4,516	2.50	0.0000	0	3.40	0.00
30	ELBAC	8,299,560	0.10	0.0000	0	32.45	0.00
31	ERGOLEMN	9,637	2.50	0.0000	0	12.96	0.00
32	EXFOR	399,654	2.50	0.0000	0	24.23	0.00
33	FORTPRES - CUG	103,523	2.50	0.0000	0	1.36	0.00
34	IPEGM	9,913	2.50	0.0000	0	3.40	0.00
35	LEMN-MOL-FA	37,146	2.00	0.0000	0	13.02	0.00
36	MEBIS	346,637	2.50	0.0000	0	26.78	0.00
37	MINIERA CUART	17,396	2.50	0.0000	0	3.40	0.00
38	MOPAL	251,067	80.45	0.0000	0	21.89	0.00
39	PROIECT	2,162	8.00	0.0000	0	10.00	0.00
40	ROSTRAMO	434,501	2.50	0.0000	0	10.04	0.00
41	SANEVIT	535,217	0.10	0.0000	0	8.97	0.00
42	SIMATEC	42,886	2.50	0.0000	0	18.82	0.00
43	SOMES	1,653,350	2.10	0.0000	0	13.12	0.00
44	TEHNOLOGIE MOBILA STIL	9,000	2.50	0.0000	0	4.55	0.00
45	TRANSILVANIA AIUD	46,779	2.50	0.0000	0	20.19	0.00
46	TREMULA	66,112	2.50	0.0000	0	17.99	0.00
47	UZINA ARDEALUL	55,593	2.50	0.0000	0	29.51	0.00
					463,119,692		**10.77**

2. Shares traded under systems other than regulated markets

Not the case

3. Shares not admitted to trading valued at zero value (no updated financial statements submitted to the Trade Register)

Issuer	No. of shares held	Nominal value	Valuer per unit	Total value	Stake of issuer's share capital/total bonds of a issuer	Weight in AIFRI total assets
MOLIDUL	90,579	2.50	0.00	0.00	21.63	0.00
TOTAL				**0,00**		**0,000**

4. Bonds not admitted to trading

Not the case

5. Amounts being settled for shares traded on a other systems than regulated market

Not the case

VIII.2. Other money market instruments

1. Commercial papers

Not the case

IX.Current accounts and cash

1. Current accounts and cash, in RON

No.	Bank name	Present value	Weight in total assets of AIFRI
		RON	**%**
1	Banca TRANSILVANIA	686,731	0.02
2	Intesa SanPaolo	19,842	0.00
3	CEC Bank	2,724	0.00
4	BRD-G.S.G	2,283	0.00
5	Exim Banca Romaneasca	1,724	0.00
6	Unicredit Bank	214	0.00
7	Lion Capital - petty cash	1,172	0.00
	TOTAL	**714,689.94**	**0.02**

2. Current accounts and cash, demominated in EURO

No.	Bank name	Present value	NBR exchange rate	Present value in RON	Weight in total assets of AIFRI
		foreign currency			**%**
1	Banca Comerciala Romana	69,777.72	4.9746	347,116.25	0.01
2	Banca Transilvania	7,175.03	4.9746	35,692.90	0.00
3	Exim Banca Romaneasca- current account	7,594.97	4.9746	37,781.94	0.00
4	CECBank - current account	4,323.70	4.9746	21,508.68	0.00
5	BRD G.S.G.	5.86	4.9746	29.15	0.00
	TOTAL			**442,128.92**	**0.01**

3. Current accounts and cash, denominated in USD

No.	Bank name	Present value	NBR exchange rate	Present value in RON	Weight in total assets of AIFRI
		foreign currency			**%**
1	Banca Transilvania	369.90	4.4958	1,663.00	0.00
2	Banca Comercială Română	224.72	4.4958	1,010.30	0.00
	TOTAL			**2,673.30**	**0.00**

4. Current accounts and cash, denominated in GBP

No.	Bank name	Present value	NBR exchange rate	Present value in RON	Weight in total assets of AIFRI
		foreign currency			**%**
1	Banca TRANSILVANIA	202.40	5.7225	1,158.23	0.00
	TOTAL			**1,158.23**	**0.00**

X. Bank deposits by separate categories: set up at credit institutions in Romania / in another Member State / in a third country

1. Bank deposits denominated in RON

Nr. crt.	Denumire bancă	Set up date	Maturity date	Initial value	Daily increase	Accrued interest	Total value	Weight in total assets of AIFRI
				RON	RON	RON	RON	%
	Banca Transilvania							
1		23/11/2023	04/01/2024	10,000,000	1,541.67	60,125.00	10,060,125	0.233930602
2		23/11/2023	04/01/2024	6,000,000	925.00	36,075.00	6,036,075	0.140358361
3		23/11/2023	04/01/2024	20,000,000	3,083.33	120,250.00	20,120,250	0.467861204
4		23/11/2023	04/01/2024	5,000,000	770.83	30,062.50	5,030,063	0.116965301
5		23/11/2023	04/01/2024	10,000,000	1,541.67	60,125.00	10,060,125	0.233930602
6		23/11/2023	04/01/2024	15,000,000	2,312.50	90,187.50	15,090,188	0.350895903
7		23/11/2023	04/01/2024	10,000,000	1,541.67	60,125.00	10,060,125	0.233930602
8		29/11/2023	11/01/2024	10,000,000	1,541.67	50,875.00	10,050,875	0.233715509
9		29/11/2023	11/01/2024	5,000,000	770.83	25,437.50	5,025,438	0.116857755
10		29/11/2023	11/01/2024	4,500,000	693.75	22,893.75	4,522,894	0.105171979
11		29/11/2023	11/01/2024	20,000,000	3,083.33	101,750.00	20,101,750	0.467431019
12		21/12/2023	25/01/2024	10,000,000	1,541.67	16,958.33	10,016,958	0.232926837
13		21/12/2023	25/01/2024	15,000,000	2,312.50	25,437.50	15,025,438	0.349390255
14		21/12/2023	25/01/2024	5,000,000	770.83	8,479.17	5,008,479	0.116463418
15		21/12/2023	25/01/2024	10,000,000	1,541.67	16,958.33	10,016,958	0.232926837
16		21/12/2023	25/01/2024	10,000,000	1,541.67	16,958.33	10,016,958	0.232926837
	Banca Comercială Română							
17		31/12/2023	01/01/2024	1,077,842	151.20	151.20	1,077,993	0.025066849
18		07/12/2023	18/01/2024	5,000,000	763.89	19,097.22	5,019,097	0.116710323
19		07/12/2023	18/01/2024	5,000,000	763.89	19,097.22	5,019,097	0.116710323
20		07/12/2023	18/01/2024	20,000,000	3,055.56	76,388.89	20,076,389	0.466841291
21		07/12/2023	18/01/2024	10,000,000	1,527.78	38,194.44	10,038,194	0.23
	TOTAL						**207,473,469**	**4.82**

2. Bank deposits denominated in foreign currency

No.	Bank name	Set up date	Maturity date	Initial value	Daily increase	Accrued interest	NBR exchange rate EUR/RON	Total value	Weight in total assets of AIFRI
				currency	currency	currency	RON	RON	%
	CEC BANK								
1		14/12/2023	15/01/2024	2,000,000	153.42	2,761.64	4.9746	9,962,938	0.23
2		14/12/2023	15/01/2024	3,185,000	244.33	4,397.92	4.9746	15,865,979	0.37
3		14/12/2023	15/01/2024	5,000,000	383.56	6,904.11	4.9746	24,907,345	0.58
4		14/12/2023	15/01/2024	10,000,000	767.12	13,808.22	4.9746	49,814,690	1.16
5		14/12/2023	15/01/2024	10,000,000	767.12	13,808.22	4.9746	49,814,690	1.16
6		14/12/2023	15/01/2024	10,000,000	767.12	13,808.22	4.9746	49,814,690	1.16
	TOTAL							**200,180,333**	**4.65**

XI. Derivatives traded on a regulated market

1. Futures contracts

2. Options

3. Amounts under settlement for derivatives traded on a regulated market

Not the case

XII. Derivatives traded outside regulated markets

Not the case

XIII. Money market instruments, other than those traded on a regulated market

Not the case

XIV. Equity securities of UCITS/AIF

1. Equity securities denominated in RON

No.	Fund name	Date of last trading session	No. of securities held (shares/fund units)	Value of equity security(NAV/unit)	Market price	Total value	Weight in UCITS/AIF's total equity securities	Weight in total assets of AIFRI
				RON	RON	RON	%	%
	Shares							
1	SIF MUNTENIA	29.12.2023	140,663,575		1.5150	213,105,316	17.9270	4.96
2	Infinity Capital Investments	29.12.2023	25,801,674		1.9000	49,023,181	5.1603	1.14
	Fund units							
1	Fondul Inchis de Investitii ACTIVE PLUS		12,406.7589	16,424.2500		203,771,710	74.4375	4.74
2	FIA CERTINVEST ACTIUNI		307.6000	321,758.5900		98,972,942	59.3654	2.30
3	FIAIP OPTIM INVEST		3,494.6900	11,965.0100		41,814,001	51.6488	0.97
4	ROMANIA STRATEGY FUND Klasse B		58,000.0000	681.7200		39,539,760	50.8772	0.92
5	FIA STAR VALUE		9,382.0000	1,220.1800		11,447,729	26.1228	0.27
	TOTAL					**657,674,638**		**15.29**

2. Equity securities denominated in foreign currency

Not the case

3. Amounts under settlement for equity securities denominated in RON

Fund name	Market price	No. of securities traded	Total value	Weight in UCITS/AIF's total equity securities	Weight in total assets of AIFRI
	RON		RON	%	%

4. Amounts under settlement for equity securities denominated in foreign currency

Not the case

XV. Dividend or other receivable rights

1. Dividends receivable

No.	Issuer	Stock symbol	Ex-dividend date	No. of shares held	Gross dividend	Amount receivable	Weight in total assets of AIFRI
					RON	RON	%
1	SIF HOTELURI*	CAOR	06.06.2023	31,820,906	73,188,084	-	0.00
	TOTAL					**-**	**0.00**

* Represents the amount due from the reduction of share capital through a decrease in nominal value. We note that the Bihor Trade Register Office initially rejected the application for registering the decrease in share capital. Currently, the company is continuing the procedures to implement the resolutions of the General Meeting of Shareholders adopted on March 9, 2023.

2. Shares distributed without consideration in cash

Not the case

3. Shares distributed with consideration in cash

Issuer	Share symbol	Ex-dividend date	No. of shares held	Share value	Total value*	Weight in total assets of AIFRI

* recalculated as per art.120, p.(1) of ASF Regulation no. 9/2014

4. Amounts payable for shares distributed with consideration in cash

Not the case

5. Preference rights (prior to admission to trading and after the trading period)

Issuer of shares	Share symbol	Ex-dividend date	No. of preemtive rights	Theoretical value of preference rights	Total value
TOTAL				**0**	**0**

Evolution of the net asset value and net asset value per share in the last reporting periods

	31.12.2023	31.12.2022	31.12.2021
Net asset value	**4,095,059,742**	**3,238,773,573**	**3,408,921,783**
Net asset value per share	**8.0847**	**6.3817**	**6.7170**

Explanatory note:

The valuation methods used for the financial instruments for which valuation methods have been chosen in accordance with the valuation standards in force, according to the law
For the companies: IAMU, NAPOMAR, SAI MUNTENIA INVEST, CENTRAL, SIF HOTELURI, AZUGA TURISM income approach, discounted cash flow method was used;
For the companies: SIF 1 IMGB, ADMINISTRARE IMOBILIARE, SIF IMOBILIARE, SIF SPV TWO the asset approach, the corrected Net Asset method was used

Leverage and exposure value as per Regulation (EU) no. 231/2013

Method for calculating AIFRI exposure	Exposure value (RON)	Leverage (%)
Gross method	3,886,871,583	94.92%
Commitment method	4,095,059,742	100%

Lion Capital S.A.

Certification of Depositary Bank,
Banca Comercialã Românã

COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE ISSUED BY BVB (Bucharest Stock Exchange)

Provisions of the Code	Compliance	Explanations
Section A - Responsibilities		
A.1. All companies should have internal regulation of the Board which includes terms of reference / responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.	YES	
A.2. Provisions for the management on conflict of interest should be included in Board regulation.	YES	
A.3. The Board of Directors should have at least five members.	YES	
A.4. The majority of the members of the Board should be non-executive. Not less than two non-executive members of the Board of Directors should be independent, in the case of Premium Tier Companies. Each member of the Board should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgment.	YES	
A.5. A Board member's other relatively permanent professional commitments and engagements, including executive and nonexecutive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during their mandate.	YES	
A.6. Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights.	YES	
A.7. The company should appoint a Board secretary responsible for supporting the work of the Board.	YES	
A.8 The corporate governance statement should inform on whether an assessment of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the assessment of the Board containing the purpose, criteria, and frequency of the assessment process.	YES	
A.9. The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	YES	
A.10. The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors.	YES	
A.11 The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.	YES	

COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE ISSUED BY BVB (Bucharest Stock Exchange)

Provisions of the Code	Compliance	Explanations
Section B - Risk management and internal control system		
B.1. The Board should set up an audit committee, and at least one member should be an independent non-executive. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.	YES	
B.2. The audit committee should be chaired by an independent non-executive member.	YES	
B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.	YES	
B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness, and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.	YES	
B.5. The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.	YES	
B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.	YES	
B.7. The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.	YES	
B.8. Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by periodical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	YES	
B.9. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties	YES	
B.10. The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the audit committee.	YES	
B.11. The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	YES	
B.12. To ensure the fulfilment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	YES	

COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE ISSUED BY BVB (Bucharest Stock Exchange)

Provisions of the Code	Compliance	Explanations
Section C - Fair rewards and motivation		
C.1. The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.	YES	
Section D - Building value through investors' relations		
D.1. The company should have an Investor Relations function - indicated, by person(s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including: **D.1.1.** Principal corporate regulations: the articles of association, general shareholders' meeting procedures. **D.1.2.** Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions; **D.1.3.** Current reports and periodic reports (quarterly, half-yearly and annual reports); **D.1.4.** Information related to general meetings of shareholders; **D.1.5.** Information on corporate events; **D.1.6.** The name and contact data of a person who should be able to provide knowledgeable information on request; **D.1.7.** Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.	YES	
D.2. A company should have an annual cash distribution or dividend policy. The annual cash distribution or dividend policy principles should be published on the corporate website.	YES	
D.3. A company should have adopted a policy with respect to forecasts, whether they are distributed or not. The forecast policy should be published on the corporate website.	YES	
D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	YES	
D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.	YES	
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	YES	
D.7. Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	YES	

COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE ISSUED BY BVB (Bucharest Stock Exchange)

Provisions of the Code	Compliance	Explanations
D.8. The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit, and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES	
D.9. A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.	partial	communication with shareholders / investors / analysts in 2023 was not formalized in events such as conference calls
D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	YES	

This Statement summarises the main highlights of the Code's provisions, in an edited format. The full text of the Code is available on Bucharest Stock Exchange website: www.bvb.ro
This Statement is provided as a free translation from Romanian, which is the official and binding version.

Statement approved by the Board of Directors of Lion Capital in the meeting held on March 27, 2024.

Bogdan-Alexandru DRĂGOI
Chairman of the Board of Directors

LION CAPITAL'S STATEMENT ON THE APPLICATION OF THE PRINCIPLES OF CORPORATE GOVERNANCE AS OF 31.12.2023

pursuant to Regulation no. 2/2016 with subsequent amendments

No.	Rules for the application of the principles of corporate governance	Conformity YES	NO	If NO – explanations
1.	The regulated entity defined in its instruments of incorporation and internal policies the responsibilities of the board on the implementation and compliance with the principles of corporate governance.	YES		
2.	The internal policies and / or regulations lay down the corporate governance structures, functions, competences and responsibilities of the board and executive management/senior management.	YES		
3.	The annual financial statements of the regulated entity are accompanied by the annual report of the remuneration committee and an explanatory note which shall describe the relevant events in connection with the application of the principles of corporate governance, occurring over the financial year.	YES		
4.	The regulated entity has drawn up a communication strategy with the stakeholders, to ensure a proper information.	YES		
5.	The structure of the Board ensures, if the case, a balance between the executive and non-executive members so that no person or small group of persons influences the decision-making process.	YES		
6.	The Board is convened at least every three months to monitor the performance of the regulated entity's business.	YES		
7.	The Board or the executive management/senior management, as the case, regularly reviews the policies on the financial reporting, internal control and risk management system adopted by the regulated entity.	YES		
8.	In fulfilling its duties, the board is assisted by a remuneration committee issuing recommendations.	YES		
9.	The Remuneration Committee submit to the board annual reports on its activity.	YES		
10	In its activity, the Board has the support of other advisory committees issuing recommendations concerning various topics that are the subject of decision-making process	YES		
11	The advisory committees submit to the Board works/reports on the topics entrusted by it.	YES		
12.	The procedures / policies / internal regulations of the regulated entities there are provisions concerning the selection of applications for the persons of the executive management/senior management, appointment of new persons or renewal of the existing mandates.	YES		
13.	The regulated entity shall ensure that the executive management/senior management undergo continuous professional training so that it efficiently performs its tasks.	YES		
14.	Key functions are established so as they match the organisational structure of the regulated entity compliant with the applicable regulations.	YES		
15.	The Board regularly reviews the efficiency of the internal control system of the regulated entity and its update manner to ensure a rigorous management of the risks to which the regulated entity is exposed.	YES		
16.	The audit committee makes recommendations to the Board on the selection, appointment and replacement of the financial auditor, and on the terms and conditions of its remuneration.	YES		

No.	Rules for the application of the principles of corporate governance	Conformity YES	NO	If NO – explanations
17.	At least once a year the Board reviews and ensures that the remuneration policies are consistent and are subject to an efficient risk management.	YES		
18.	The remuneration policy of the regulated entity is set out in the internal regulations on the implementation and compliance with the principles of corporate governance.	YES		
19.	The Board has adopted a procedure for the identification and proper settlement of any conflict of interest.	YES		
20.	The executive management/senior management, as appropriate, informs the Board on potential or consumed conflicts of interest where they could be / is involved in the conditions of their occurrence and do not participate in the decision-making process related to the conflict state if these structures or persons are involved in the respective conflict state.	YES		
21.	At least once a year the Board analyses the efficiency of the risk management system of the regulated entity.	YES		
22.	The regulated entity has drawn up procedures for the identification, assessment, and management of the significant risks to which it is or is likely to be exposed.	YES		
23.	The regulated entity has in place clear action plans for the continuity of its business and for any emergency situations.	YES		
24.	The Board of the subsidiary applies principles and policies of internal governance similar to those of the parent company, unless there are other legal requirements that lead to the establishment of own policies.	-	-	The company does not have subsidiary status within a group. The entities that are part of company's consolidation scope comply with the principles and governance policies regulated by Law no. 31/1990, Law no. 24/2017 and BVB (BSE) Corporate Governance Code, as applicable.

This Statement is provided as a free translation from Romanian, which is the official and binding version, approved by the Board of Directors in the meeting held on March 27, 2024.

Bogdan-Alexandru DRĂGOI
Chairman of the Board of Directors

Annual Report of the Nomination and Remuneration Committee for the year 2023

- prepared as per the provisions of ASF Regulations no. 10/205 and no. 2/2016 -

The Nomination and Remuneration Committee (NRC) is a permanent committee, having advisory function, subordinated to the Board of Directors of Lion Capital.

The Committee is comprised of three members elected from non-executive members of the Board, in compliance with the independence requirements provided by the law on trading companies. CNR membership status does not prevent members from participating in the activity of other committees of the Board of Directors.

During the exercise of the mandate, NRC members will not hold positions, qualities and will not carry out transactions that could be considered incompatible with the mission of the committee.

According to the Company's internal regulations, NRC meets regularly, at least twice a year, and whenever it sees fit.

NRC assists the Board of Directors in fulfilling its responsibilities for the nomination of the candidates for leadership positions, their assessment and formulates proposals on their remuneration. Also, the CNR recommends to the Board of Directors the appointment or dismissal of the personnel with key and control functions within the Company, the level of remuneration and their rights and duties. At the same time, CNR participates in the development and review of remuneration policies applicable at the Company level.

The Nomination and Remuneration Committee has mainly the following responsibilities, stipulated in the Company's internal regulations:

- prepares and recommends the guidelines for the selection of the members of the Board of Directors, including the criteria for evaluating their independence;
- evaluates and proposes to the Board of Directors candidates for their appointment, reappointment or dismissal in / as a member of the Board;
- prepares the evaluation of the performance of the members of the Board of Directors, using a self-assessment process and assesses, at least once a year, the independence and adequacy of the members of the Board of Directors;
- assesses, at least once a year, the independence of the members of the Board of Directors;
- verifies, at least once a year, the number of mandates held by members of the Board of Directors and (executive) directors in other companies;
- prepares recommendations to the Board of Directors for the appointment or dismissal of the personnel having key and control functions within the Company, as well as for establishing the level of remuneration and their rights and duties;
- formulates proposals, submitting them to the Board of Directors, on the remuneration policy of the members of the executive and non-executive management structure (including bonuses, incentives and stock option plans), ensuring that they are at the correct level, in accordance with corporate governance rules, best practices on the market, that are aligned with the Company's strategy and performance, long-term shareholders' interests, using a balanced combination of incentives to attract, motivate and retain highly qualified and experienced persons in leadership positions;

- analyses and formulates proposals for the attention of the Board regarding the total annual package of variable remuneration within the Company;
- formulates proposals for the attention of the Board on the preparation of the remuneration policy at the Company level and revises the annual remuneration report.

During 2023, the Nomination and Remuneration Committee had the following composition:

- **Sorin MARICA** - Chairman of the Committee

- **Marcel PFISTER** – member

- **Ionel Marian CIUCIOI** - member.

In 2023, the Nomination and Remuneration Committee met five times, issuing reports and/or resolutions of NRC addressed to the Board of Directors.

The meetings were mainly dedicated to the following topics: analysis of compliance with remuneration policy and procedures; periodic assessment of the suitability of the members of the leadership structure and of the persons holding key positions; assessment of the independence of the members of the board of directors and verification of the number of mandates held by the members of the Board of Directors and directors in other companies; prior assessment of the person appointed as director before submitting for the approval of the Financial Supervisory Authority; assessment of the person proposed for the key position of internal auditor; analysis of the remuneration due to administrators and directors and the remuneration granted to the members of the advisory committees within the Board in order to submit proposals to the general meeting of shareholders; analysing and recommending the initiation of an share-based payment plan; verifying the fulfilment of the conditions for the transfer of shares within the share-based payment program approved in 2022; the evaluation of the performance of the executive management in the year 2023; analysing and recommending the granting of the variable component to employees and directors for achieving the objectives in 2023.

The activity of NRC in 2023 addressed the following:

Analysis and recommendation on the initiation of a Share-based Payment Plan

By Resolution no. 5 of April 28, 2022, the extraordinary general meeting of shareholders approved the execution of a share buyback program (Program 6), in accordance with the applicable legislation, up to 990,000 shares to be distributed free of charge to members Company's management, within a share-based payment plan of a "Stock Option Plan" type, in compliance with the legislation in force.

By Resolution no. 6 of April 28, 2022, the extraordinary general meeting of shareholders approved the use of the shares purchased under Buyback Program 6 to be distributed free of charge to the members of the Company's management (administrators, directors), within a share-based payment plan of a Stock Option Plan (SOP) type and the company's Board of Directors was empowered to adopt all the necessary measures and fulfil all the formalities required for the approval and implementation of the SOP.

In the meeting of March 8, 2023, the Nomination and Remuneration Committee analysed and submitted to the Board of Directors the recommendation to initiate the share-based payment plan (Stock Option Plan) approved by Resolutions no. 5 and no. 6 of the EGM of April 28, 2022. At the same time, the CNR analysed and decided on the criteria necessary for the vesting, so that the objectives for the vesting of the beneficiaries comply with the Remuneration Policy approved by the shareholders.

The CNR submitted to the Board of Directors the proposal for the approval of the SOP, the model of the share-based payment agreement and the list of beneficiaries.

According to the SOP, the exercise of the right to receive shares free of charge is done after the 12-month period from the signing of the share-based payment agreement, but not more than 14 months, from the conclusion of the written agreement with the Company for the exercise of the right to option to receive free of charge shares issued by Lion Capital.

The CNR proposals were approved by the Board of Directors. The disclosure document on the offer or allocation of shares to the members of the management of Lion capital (formerly SIF Banat-Crișana), prepared in accordance with the provisions of Regulation (EU) 2017/1129 and ASF Regulation no. 5/2018, was published by the company according to the legal provisions, on March 13, 2023.

Analysis and recommendation regarding the transfer of shares to beneficiaries under the ongoing share-based payment program

In the meeting of March 8, 2023, CNR analysed the fulfilment of the necessary conditions for vesting the beneficiaries of the Stock Option Plan program approved by EGM on October 11, 2021, implemented by the Board of Directors and reported to the market by the Company on January 25, 2022, together with the "Disclosure document on the offer or allocation of shares to the members of SIF Banat-Crișana management" prepared in accordance with the provisions of EU Regulation no. 1129/2017 and ASF Regulation no. 5/2018.

CNR ascertained that after the completion of the 12-month period from the signing of the share-based payment agreements, the beneficiaries of the share-based payment plan exercised their right to receive a number of 880,000 SIF1 (currently LION) shares, representing 0.1734% of the share capital at that time. At the same time, in accordance with the responsibilities and competencies held, CNR has determined the fulfilment of the necessary conditions for the beneficiaries to vest their rights, as agreed upon in the agreements signed with them, and has submitted for approval by the Board of Directors the transfer of ownership of the 880,000 shares to the beneficiaries of the SOP program, in accordance with their exercised rights.

By the current report dated March 14, 2023, the Company informed the investors on the completion of the share-based payment plan, with the direct transfer of shares to the beneficiaries in the records of the Central Depository being made. The information provided for in art. 19 of EU Regulation 596/2014 regarding these transactions have been made public and are available on the company's website in the *Investor Relations* section.

Analysis of the monthly remuneration and the limits of additional remuneration of the members of the Board for 2023 FY

Given that: (i) according to the Internal Regulations of the Company, the Nomination and Remuneration Committee has the authority to formulate proposals to the Board of Directors regarding the remuneration policy for the members of the executive and non-executive management structure; (ii) on the agenda of the OGM convened for April 27 (28), 2023, there was the discussion and approval of the remuneration due to the members of the Board of Directors and the general limits of all additional remuneration of the members of the Board of Directors and the general limits of the directors' remuneration, for 2023 FY, NRC analysed in the meeting of March 24, 2023 the level of monthly remuneration and the limits of additional remuneration of Board members and directors' remuneration.

To maintain the proportionality of remuneration granted to Board members (executive and non-executive) with the specific responsibilities of their position, to ensure adequate and responsible remuneration and considering the current economic context including the conflict in Ukraine, urging caution, NRC deemed it appropriate not to change the remunerations in 2023.

The Nomination and Remuneration Committee submitted to the Board of Directors the recommendation to propose to the ordinary general meeting of shareholders convened for April 27 (28), 2023:

- approval of maintaining the remuneration due to the members of the Board of Directors for the 2023 FY at the level established by the OGM Resolution of April 26, 2016, of RON 10,000 net per month;
- approval of the general limits of all additional remuneration of the members of the Board of Directors and of the general limits of the directors' remuneration, for 2023 FY, at the level established by OGM Resolution no. 7 of April 27, 2020, in the amount of 0.42% of the annual average net assets.

The Board of Directors included the NRC recommendation as a proposal to the OGM convened for April 27 (28), 2023, which approved this resolution.

The assessment of the person proposed for the position of direct supervisor responsible for the implementation of Law no. 129/2019

According to Art. 7^1 paragraph (4) letter b of ASF Regulation no. 13/2019 *The Board appoints the manager directly responsible for ML/FT and assesses his suitability or analyses the assessment of suitability, as the case may be, in compliance with the provisions of art. 6 par. (4) lit. d), art. 10 par. (31) and of art. 14 par. (1) lit. a) of ASF Regulation no. 1/2019*.

In the meeting of March 24, 2023, CNR carried out the assessment of Mr. Laurentiu Riviș for the position of directly responsible manager in the application of Law no. 129/2019 for the prevention and combating of money laundering and terrorist financing.

Following the analysis and assessment carried out, CNR ascertained that Mr Laurentiu Riviș meets the conditions provided by the provisions of art. 6 par. (4) letter. d), art. 10 par. (31) and of art. 14 par. (1) letter a) of ASF Regulation no. 1/2019 and determined that the appointment of Mr Laurențiu Riviș, holding the position of Director within the Company, meets the legal requirements necessary to exercise the position of manager directly responsible SB/FT.

The Nomination and Remuneration Committee recommended to the Board of Directors the appointment of Mr Laurențiu Riviș as manager directly responsible for SB/FT.

Prior evaluation of persons proposed for key positions

According to the responsibilities assigned in accordance with the policies, procedures, and internal regulations of the company, to provide assistance and consultancy regarding the assessment of members of key positions, in the meeting held on August 8, 2023, the members of CNR convened to conduct a preliminary assessment of the individual suitability of Mrs. Mariana Dumitrescu, representative of New Audit SRL, designated as the internal auditor of the Company for a new two-year term.

CNR analysed the information provided by the assessed person within the statements prepared in accordance with the template provided in Annex 1 to ASF Regulation no. 1/2019.

CNR noted that no changes had occurred regarding the suitability of the person holding the key position of internal auditor since the previous assessments.

The members of CNR approved the conclusions of the individual suitability assessment of Mrs. Mariana Dumitrescu, representative of New Audit SRL - the legal entity proposed for the key position of internal auditor, according to which she possesses the knowledge, skills, and professional experience and complies with the requirements of reputation, honesty, integrity, and governance provided by ASF Regulation no. 1/2019 and the internal regulations of the company, necessary for performing the specific duties of the internal auditor position, and forwarded the recommendation to the Board of Directors to approve the preliminary assessment of the suitability of Mrs. Mariana Dumitrescu, representative of New Audit SRL - the legal entity proposed for the key position of internal auditor.

Analysis of the topics on the agenda of the Board convened for November 15, 2023

The Nomination and Remuneration Committee convened on November 14, 2023, analysing and stating on the following subjects: (i) Approval of the individual assessment of Mr Florin-Daniel Gavrilă proposed for the position of Director; (ii) Approval of delegating the management of the company to Mr Florin-Daniel Gavrilă, as Director, in accordance with the provisions of Article 143 of Law no. 31/1990; (iii) Approval of the agreement on the delegation of powers to the Director; (iv) The level of remuneration for persons holding the position of Director in the new organizational structure.

In accordance with the provisions of *Regulation no. 1/2019 on the assessment and approval of members of the management structure and persons holding key positions in entities regulated by the Financial Supervisory Authority* ("R1/2019") and the internal procedure on the assessment of members of the management structure and persons holding key positions within the Company, CNR assessed Mr Daniel-Florin Gavrilă, proposed for the position of Director, in order to delegate the management of the company to him, within the limits of the responsibilities and competencies provided by the Internal Regulations and Decision-making and Signing Competencies of Lion Capital S.A., approved by Board Resolution for this position.

During the assessment process, the provisions of R1/2019 were respected, and the criteria established by the regulation were analysed, based on the documents and information provided by the evaluated person (diplomas and certificates, CVs, statements compliant with R1/2019, etc.), as well as other data and information available to CNR members (internal audit and compliance reports, public information, etc.).

The conclusions of the assessment process were based on the analysis of the information from the documents presented, the analysis of information on the reputation, integrity, honesty, and independent thinking, as well as on direct discussions with the person in question and the analysis of the activities carried out by him within the Company.

The results of the assessment were recorded in the individual evaluation form, documenting the description of the position for which the assessment is carried out, its role within Lion Capital, and presents the results of the suitability assessment based on the following criteria: a) knowledge, skills, and relevant experience; b) time dedicated to exercising the respective position; c) assessment of reputation, honesty, and integrity; d) governance criteria.

Following the evaluation conducted, CNR ascertained that Mr Daniel-Florin Gavrilă possesses the knowledge, skills, and professional experience and complies with the requirements of reputation, honesty, integrity, and governance provided by ASF Regulation no. 1/2019, with subsequent amendments and supplements, Law no. 74/2015, and ASF Regulation no. 10/2015, necessary for performing the specific duties of the Director position and did not identify any situations that would generate concerns regarding his suitability for the position.

CNR ascertained that within Lion Capital, the supervisory and managerial roles are not separate, with the board of directors being the highest decision-making body in the company (which encompasses both supervisory and managerial competencies). Thus, CNR appreciated that a collective assessment of the executive leadership (directors) is not mandatory.

During the same meeting, CNR analysed the level of remuneration for the Director positions in the new organizational chart approved by the Board of Directors and concluded the following:

- Ensuring an effective and prudent management of the company, in accordance with principles related to investor protection, requires remuneration proportional to the specific responsibilities of the directors' roles;
- Considering the level of responsibilities and competencies of the directors, the complexity and importance of the issues under analysis and their decisions, the impact of their activities on the company's operations, the level of specialization, and the time required to fulfil their specific duties, it is considered that the fixed remuneration granted to the directors should be sufficiently high to reward their work but also to ensure the responsible and independent fulfilment of their duties and competencies.
- The level of remuneration should promote the long-term sustainability of the company, in line with the business strategy, objectives, values, and long-term interests of the company, as well as aligning the remuneration regime within the company with remuneration policies and practices in the financial investment sector.
- Given the above, the Nomination and Remuneration Committee analysed the liquidity level and assets under company's management and the response capabilities of the remuneration system to potential internal and external events.

Considering all the aspects presented above, in accordance with the provisions of Lion Capital's Internal Regulations, CNR recommended to the Board of Directors:

(i) Approval of the appointment of Mr. Daniel-Florin Gavrilă to the position of Director, as well as delegating to him the company's management, in accordance with Article 143 of Law no. 31/1990, within the limits of the responsibilities and competencies provided by the Internal Regulations and Decision-making and Signing Competencies of Lion Capital S.A., approved by the Board of Directors;

(ii) Approval of agreements of the delegation of powers to the Director, within the limits of the responsibilities and competencies provided by the Internal Regulations and Decision-making and Signing Competencies of Lion Capital S.A., approved by the Board of Directors, for a term of 4 years, which will expire on November 15, 2027;

(iii) CNR stated on the level of remuneration for persons holding the position of Director in the new organizational chart, ensuring compliance with the limits imposed by resolutions of the shareholders' general meeting. The Committee's proposals regarding remuneration are in line with the company's remuneration policy and remain consistent with past practices, whereby the general limits approved by the shareholders' general meeting represent maximum ceilings and not actual amounts paid to the company's management, these being correlated and respecting the budgetary provisions approved by the shareholders.

CNR's recommendations were approved by the Board of Directors in the meeting held on November 15, 2023.

Analysis of Compliance with Remuneration Policies and Procedures

Within the scope of monitoring and overseeing the implementation of the remuneration policy approved by the shareholders, in the meeting held on December 19, 2023, the Nomination and

Remuneration Committee analysed the application of remuneration procedures and policies. Following the assessment conducted, CNR ascertained that:

- all commitments regarding remuneration are correctly and responsibly structured, in accordance with the principles of good corporate governance;
- the current remuneration policy ensures proper risk management without leading to risks exceeding Lion Capital's risk tolerance level;
- by examining the methodology on directors' performance assessment approved by the Board of Directors, CNR ascertained that the principles, evaluation criteria, and performance indicators established ensure an objective and adequate evaluation of directors' performance, combining assessment through measurable criteria (quantitative components) and through professional competencies, skills, and organizational behaviour (qualitative components), while adhering to the principles outlined in the remuneration policy approved by the shareholders.

Assessment of the Independence of Board Members and Verification of the Number of Mandates Held by Board Members and Directors in Other Companies

In December 2023, the Nomination and Remuneration Committee proceeded with the evaluation of the independence criteria of the administrators, based on the statements submitted by the members of the Board of Directors, and ascertained that the legal provisions regarding the minimum number of independent directors at the board level and at the level of consultative committees established within the Board of Directors are complied with.

Moreover, the Nomination and Remuneration Committee conducted a verification of the number of mandates held by members of the Board of Directors and by the Directors, and ascertained, based on the declarations submitted by the members of the Board of Directors and by the Directors, as well as on the information available, that the number of mandates held by members of the Board of Directors and by the Directors in other companies complies with the legal provisions regulating the maximum number of mandates that can be concurrently held by members of the management structure.

Periodic Assessment of the Suitability of Members of the Management Structure and Persons Holding Key Positions

In accordance with the provisions of *ASF Regulation no. 1/2019 on the assessment and approval of members of the management structure and persons holding key positions within entities regulated by the Financial Supervisory Authority ("R1/2019")* and the internal *Procedure regarding the evaluation of members of the management structure and persons holding key positions within the company*, as part of the process of continuous monitoring of the suitability of members of the management structure and persons holding key positions to ensure prudent, fair, and efficient management of Lion Capital, the Nomination and Remuneration Committee (CNR) proceeded with the assessment of the Board of Directors, Directors, and key personnel in the company.

In accordance with the provisions of Article 26, paragraph (3), and Article 23 of R1/2019, CNR conducted both individual and collective assessments of the members of the Board of Directors, as well as individual and collective evaluations of the executive management structure.

Assessment of the Board of Directors:

Taking into account: (i) the documents submitted by the members of the Board of Directors on previous assessments; (ii) the statements provided by the members of the Board of Directors updated at the time of assessment, which include aspects related to meeting independence criteria, as well as the list of mandates held in other entities; (iii) the evaluation matrix – Annex 4 to ASF Regulation no. 1/2019;

CNR ascertained that there have been no significant changes to the relevant documents / information submitted during previous evaluations.

CNR analysed the individual suitability of the members of the Board of Directors, as well as the collective suitability of the members of the Board of Directors, with the result of the collective suitability assessment being recorded in the collective suitability matrix of the Board of Directors.

Following the evaluation conducted, CNR ascertained that the members of the Board of Directors meet the requirements set forth in the applicable regulations, and no situations of non-compliance with the criteria specified in ASF Regulation no. 1/2019 were identified.

Assessment of the Executive Management

The individual assessment of the directors was conducted based on the documents requested and provided to CNR by the directors. The conclusions of the evaluation process were based on the analysis of the information in the submitted documents, the analysis of information regarding reputation, integrity, honesty, and independent thinking, as well as direct discussions with the directors and an analysis of their activities.

The results of the directors' assessments were documented in individual assessment sheets, which document the description of the position for which the assessment is conducted, its role within Lion Capital, and present the results of the suitability evaluation based on the following criteria: a) knowledge, skills, and relevant experience; b) time dedicated to performing the respective function; c) evaluation of reputation, honesty, and integrity; d) governance criteria.

CNR evaluated the collective suitability of the executive management, considering the principles and criteria provided by R1/2019.

CNR considers the executive management structure to be adequate and efficient, with operational work processes implemented within the company, including well-defined workflows, and reporting lines to the management structure. From the analysis of materials presented during the year for information or approval by the Board of Directors, CNR members noted the attention and consistency of the executive management in implementing recommendations provided by representatives of risk management, internal audit, and compliance departments regarding alignment with governance requirements, compliance, and optimization of activities, including recommendations from the financial auditor.

Additionally, CNR considers the management of the company to be effective and prudent, including the good faith of the executive management in activities conducted in the interest of the company and the ability of this structure to focus on strategic matters and objectives approved by the shareholders and the Board of Directors.

From the analysis of internal audit and compliance reports, CNR notes that the company's directors adhere to the principle of independence and comply with the policy regarding conflicts of interest.

Following the assessments conducted, CNR finds that the members of the executive management possess the knowledge, skills, and professional experience and adhere to the requirements of reputation, honesty, integrity, and governance prescribed by R1/2019 necessary for performing the specific duties of their positions, and no situations were identified that raise concerns regarding the suitability of a director or the executive management structure as a whole.

Assessment of Key Functions

CNR conducted the assessment of key functions within the company – the internal audit function, the risk management function, and the compliance function – based on the documents requested and provided to CNR by the individuals with specific responsibilities. The conclusions of the assessment process were based on the analysis of information in the submitted documents regarding studies, competencies, and experience, the analysis of information regarding reputation, integrity, honesty, and independent thinking, as well as direct discussions with these individuals and the analysis of reports presented throughout the year.

The results of the assessment of the individuals holding key functions were documented in individual assessment sheets, which document the description of the position for which the assessment is conducted, its role within Lion Capital, and present the results of the suitability evaluation based on the following criteria: a) knowledge, skills, and relevant experience; b) time dedicated to performing the respective function; c) assessment of reputation, honesty, and integrity; d) governance criteria.

Following the assessments conducted, CNR finds that the persons holding key functions possess the knowledge, skills, and professional experience and adhere to the requirements of reputation, honesty, integrity, and governance prescribed by Regulation ASF no. 1/2009 and the internal regulations of the company, necessary for fulfilling the specific duties of their positions, and no situations were identified that raise concerns regarding the suitability of the persons in this category.

Assessment of the Performance of Executive Management During 2023

In the meeting held on December 19, 2023, NRC proceeded to assess the performance of the executive management in 2023, in accordance with the Remuneration Policy of Lion Capital approved by the shareholders by resolutions no. 4/06.01.2021 and no. 8/26.04.2021 and the Methodology for assessing the performance of the executive management approved by the Board of Directors.

The assessment of the fulfilment of the performance criteria was performed for each director, based on the quantitative and qualitative indicators established by the approved methodology, the evaluation results being recorded in the individual evaluation sheets.

Assessment of quantitative criteria:

- *KPI indicators* - were calculated based on the estimate of the achievement of Budget for 2023 presented to the Board of Directors.

- *The assessment of compliance with the regulated / approved investment limits* was performed by analysing the investment limits monitoring performed monthly by the Risk Manager, together with the calculation and reporting of the detailed statement of assets and liabilities, as well as on each transaction expected through the investment verification procedure.

- *The assessment of compliance with the approved global risk profile* was based on the analysis of periodic monitoring and evaluation reports prepared by the Risk Manager and reported to the Board in the periodic risk reports and risk opinions through the pre-investment verification procedure.

The Nomination and Remuneration Committee recommended the Board of Directors to approve the results of the performance evaluation of the executive management for 2023.

Analysis of Granting the Variable Component for the Achievement of the Objectives in 2023

At the end of December 2023, in accordance with its responsibilities, NRC analysed the reports presented by the executive management, the Risk Opinion on granting the variable component of the remuneration, presented by the person responsible for the risk management, and the Remuneration Policy of Lion Capital, and ascertained the following:

- In accordance with the Remuneration Policy approved by the shareholders, performance-based remuneration is granted in a manner that promotes efficient risk management and does not encourage excessive risk-taking.
- Variable remuneration is paid or granted only if it is sustainable based on the overall financial situation of the Company and is justified by the performance of the operational unit within the Company and of the individual in question.
- The remuneration of the Fund's personnel, from the perspective of variable remuneration, is based on the annual evaluation of individual performances, relative to the achievement of assumed objectives.
- The evaluation of compliance with Lion Capital's approved overall risk profile, from the perspective of the impact of investment decisions on it, was conducted by analysing investment risk at the level of assets under management.
- It was ascertained that the objectives set at the senior management level, through the activity plan and the Budget approved by the GMS, and at the level of the personnel responsible for investment activity through financial objectives and competencies (investments made, dividend collection from holdings, placements, etc.), did not induce a modification of investment risk.
- The liquidity profile of the asset portfolio maintained its structure constant throughout the year 2023, with dividends collected from issuers in the portfolio being invested based on opportunities that occurred. The liquidity buffer remained above the approved limit of total assets throughout 2023.
- The evolution of the SIF1/LION stock quotation was linear (sideways movement, within a narrow band, with low volatility), with trading volumes comparable to those of 2022. Thus, the assessment of reputational risk falls within the low-risk level.
- The continuous monitoring of risks, carried out by the three key function departments, internal audit, compliance, and risk management - materialized both through periodic risk reports, scenario analysis, and prior verification at the time of investments - leads to the conclusion that the risk management system at Lion Capital is effective, the measures adopted for monitoring and controlling exposures to identified risks are adequate and timely, and recommendations and concerns receive the necessary attention.
- Investment limit monitoring was conducted both monthly, along with the calculation and reporting of the Detailed Statement of Assets and Liabilities, and for each planned transaction through the investment prior verification procedure. From the assessment of this objective, it was ascertained that investment limits were not exceeded (zero incidents).
- The overall risk profile was periodically monitored and evaluated by the Risk Manager and reported to the Board of Directors through periodic risk reports and risk opinions via the investment prior verification procedure. The Risk Management Office did not issue alerts for exceeding approved risk limits, and the assessment of this objective revealed that the risk limit/limits were not exceeded.
- In 2023, there were 2 operational risk incidents from an external source, interruption of power supply at the Lion Capital headquarters for more than three hours. As a result of the risk event evaluation, the Key Risk Indicator (KRI) has a low value, below the alert level, with a low probability of occurrence of the event and a low impact value. Corrective measures taken were immediate.

- Analyses conducted periodically in 2023 lead to the conclusion that the achievement of investment objectives was fulfilled while adhering to regulated prudential limits, approved risk limits through the overall risk profile, and governance principles.
- Analysing liquidity risk based on the bank account balances, it is found that cash funds are sufficient to cover the amounts proposed as variable remuneration, without the need for dislocation of other assets.
- The operation does not violate any legal or ethical norms regarding internal regulations and policies.

In view of the findings made, NRC issued a favourable opinion on the granting of the variable component to employees and directors for the achievement of the objectives in 2023.

Nomination and Remuneration Committee as of December 31, 2023:

Sorin MARICA - Chairman of the Committee ____________________
Marcel PFISTER - member ____________________
Ionel Marian CIUCIOI – member ____________________

LION CAPITAL’S
REMUNERATION REPORT FOR 2023

1. GENERAL INFORMATION

LION CAPITAL S.A. (hereinafter “Lion Capital” or “the Company”), the new corporate name starting March 24, 2023, of SIF Banat-Crișana S.A., is a joint stock company incorporated since November 1996, in accordance with the provisions of Law no. 31/1990 on trading companies, being a Romanian legal entity with fully private capital, with a duration of operation of 99 years.

Lion Capital is established as a self-managed investment company and is authorized by the Financial Supervisory Authority (ASF) as an Alternative Investment Fund Manager (AIFM), in accordance with Law no. 74/2015, by Authorization number 78 / 09.03.2018.

As per the provisions of Law no. 243/2019 on alternative investment funds, Lion Capital qualifies as a closed-end diversified Alternative Investment Fund addressed to Retail Investors (AIFRI), self-managed, authorized by ASF in this capacity since July 2021.

As per the provisions of its Articles of Association, Lion Capital is administered under a unitary system, which is able to ensure the efficient operating of the Company and in accordance with the objectives of good corporate governance and the protection of the interests of its shareholders.

Lion Capital is administered by a Board of Directors comprised of 5 members, elected by the general meeting of shareholders for a term of office of four years, with the possibility of being re-elected.

The Board of Directors has decision-making powers regarding the management of the Company in the interval between the general meetings of shareholders, except for decisions that the law or the Articles of Association exclusively for the general meeting.

The Executive Management/senior management of Lion Capital is provided by Directors appointed by the Board of Directors, in accordance with the provisions of the Company's constitutive acts and the applicable legal regulations in force, so that the management of the Company's daily activity is ensured, at all times, by at least two people.

The management structure, in the sense of the legislation applicable to this report, consists of the members of the Board of Directors and the Executive Management - Directors. The duties and responsibilities of the Management Structure are expressly mentioned in the Company's Articles of Association, in the Internal Regulations and in the Corporate Governance Regulation of Lion Capital.

As per the provisions of art. 107 of *Law 24/2017 on issuers of financial instruments and market operations*, the Company has prepared and published remuneration reports starting with 2021 FY, these being submitted to the consultative vote of the General Meeting of Shareholders. There were no opinions expressed by shareholders during the general meetings regarding the remuneration reports published by the Company.

This remuneration report contains information on the remuneration paid in 2023, according to the remuneration policy approved by the general meeting of shareholders and will be subject to the consultative vote of the General Meeting of Shareholders convened for April 29 (30), 2024.

The *“identified personnel”* category in the report includes the persons established at the Lion Capital level considering the definitions retained within the applicable national and European legislation.

All amounts mentioned in this report are expressed in RON (Romanian leu) and represent net amounts, unless otherwise stated.

2. THE REMUNERATION POLICY OF LION CAPITAL

The remuneration policy of Lion Capital was approved by the OGM of January 6, 2021, by Resolution no. 4 (with 97.37% of the votes cast) and amended according to Resolution no. 8 of the OGM of April 26, 2021 (with 99.97% of the votes cast).

The remuneration policy applies to the management of the company and those categories of personnel whose professional activities have a significant impact on the risk profile of Lion Capital.

The policy establishes the general principles of remuneration of the company's *identified personnel,* in compliance with the principles set forth by the applicable national and European regulations, with the aim of ensuring that the remuneration of the company's personnel is in line with and promotes solid and efficient risk management and does not encourage taking risks that contradict the risk profile and the articles of association of the company.

The main principles underlying the remuneration policy:

- pursuing the compatibility with sound and effective risk management and promoting this type of management, without encouraging taking risks that do not comply with the risk profile, internal rules or articles of association of the company;
- substantiation on the values and beliefs of the organization and compatibility with the business strategy, objectives, values, and interests of Lion Capital, as well as with the interests of investors, including measures to avoid conflicts of interest;
- the remuneration of personnel holding control positions is based on the achievement of the objectives related to their functions, regardless of the results of the trading sectors they control;
- performance-based remuneration is calculated on the basis of an assessment that combines the performance of the individual and the business unit concerned with the overall performance of the Company;
- there is an appropriate balance between the fixed and the variable component of total remuneration and the fixed component represents a sufficiently high percentage of total remuneration allowing the application of a policy as flexible as possible on variable components of remuneration, including the possibility of paying no variable component of remuneration;
- the variable remuneration is paid or granted only if it is sustainable according to the financial situation of the Company as a whole, and is justified by the performance of the business unit within the company and the person concerned;
- Company personnel are prohibited from using personal coverage or insurance strategies relating to remuneration or liability to undermine the effects of the risk alignment provided for in their remuneration schemes;
- variable remuneration is not paid through instruments or methods that facilitate the avoidance of compliance with the requirements of the remuneration policies applicable within Lion Capital.

Lion Capital promotes an effective and sound risk management, without the remuneration structure encouraging excessive risk-taking, including in relation to sustainability risks, being correlated with risk-adjusted performance.

The company must comply with the remuneration principles established in the applicable legal regulations considering the extent to which they are appropriate to its size, internal organization, and the nature and complexity of its activities. Considering these aspects - the size, nature, internal organization, scope and complexity of the activities carried out by the company, applying the principle of proportionality in accordance with the provisions of the ESMA Guide on solid remuneration policies in accordance with DAFIA, through the Remuneration Policy it was established that they can be except for the requirements of the process of payment of variable remuneration in instruments, the requirements regarding retention and deferral, the requirements regarding the ex-post inclusion of risks for variable remuneration, in the context where the non-application of the aforementioned requirements is compatible with the risk profile, risk appetite and strategy the company and the assets under management.

The Company's remuneration policy ensures a fair and competitive remuneration, respecting and valuing the skills and the performance, with the two components - the fixed component and the variable component - appropriately proportioned.

3. REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS (ADMINISTRATORS)

3.1 Administrators' remuneration structure

The remuneration of the administrators is decided annually by the general meeting of the shareholders of Lion Capital, in accordance with the provisions of Law no. 31/1990 and the articles of association of the Company.

The additional remuneration of the administrators is set in general limits by resolution of the general meeting of shareholders. The total annual amount of additional remuneration paid to the directors shall not exceed the limits set by the resolution of the general meeting of shareholders.

The additional remuneration is fixed and is based exclusively on factors such as time spent on the performance of duties, participation in meetings of the board of directors, responsibilities undertaken on the board of directors, participation in the activities of special committees at the board level, and the like. factors that do not depend on and do not consider the results and performance of the company.

Remuneration for the purposes of the Remuneration Policy is not considered to be expenses settled by the company and incurred by the administrators in the interest and for the purpose of exercising the mandate of administrator.

3.2 Components of administrators' remuneration in 2023

The Board of Directors consists of five members appointed by the Ordinary General Meeting of Shareholders, in accordance with the provisions of Company's Articles of Association.

During 2023, the Board of Directors had the following composition:

Name	Position/Function	Date of first appointment (date of ASF endorsement)	Current term expires	Months on duty in 2023
Bogdan-Alexandru Drăgoi	Chairman of BoD	09.04.2015	25.04.2025	12
Radu-Răzvan Străuț	Vice-Chairman of BoD	13.07.2017	25.04.2025	12
Ionel-Marian Ciucioi	Member of BoD Member of Audit Committee Member of Nomination and Remuneration Committee (NRC)	25.10.2018	25.04.2025	12
Sorin Marica	Member of BoD Chairman of NRC Member of Audit Committee	13.07.2017	25.04.2025	12
Marcel Heinz Pfister	Member of BoD Chairman of Audit Committee Member of NRC	13.07.2017	25.04.2025	12

The monthly remuneration due to the members of the Board of Directors for the financial year 2023[1] was approved by the OGM on April 27, 2023, at the level established by the OGM resolution of April 26, 2016, **in the amount of RON 10,000 net** for each administrator, regardless of position.

The general limits on all additional remuneration of members of the board of directors and the general limits on the remuneration of directors for the financial year 2023 were approved by the

[1] Resolution no. 8 of OGM of April 27, 2023: https://www.lion-capital.ro/docs/en/current-reports/2023/2023-04-27-OGM-resolutions.pdf

OGM on April 27, 2023, and remained at 0.42% of the average annual net assets[2] set by the OGM resolution no. 7 of April 27, 2020.

Individual remuneration of the members of the Board of Directors in 2023:

Position/Function	Total fixed remuneration 2023* (RON)	Variable remuneration	Proportion of fixed remuneration	Other benefits** (RON)
Chairman of the Board of Directors	120,000	0	100%	1.247
Vice-Chairman of the Board of Directors	120,000	0	100%	1.247
Member of the Board of Directors Member of Audit Committee Member of NRC	186,000	0	100%	1.247
Member of the Board of Directors Chairman of NRC Member of Audit Committee	318,000	0	100%	1.247
Member of the Board of Directors Chairman Audit Committee Member of NRC	318,000	0	100%	0

** Includes additional remuneration for members / chairs of advisory committees operating within the Board of Directors*
*** Subscription to medical services rendered by a private provider*

Note: To ensure full independence in discharging their duties, non-executive administrators (Board members) do not receive variable remuneration and do not participate in remuneration schemes in which payment is linked to performance.

Remuneration received from other entities belonging to the Lion Capital group:

For executive administrators - Chairman of the Board and Vice-Chairman of the Board, the information is presented in section 4.2.

The Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Committee did not receive any remuneration from other entities of Lion Capital Group in 2023.

In 2023, Mr. Ionel Ciucioi received a total remuneration of RON 1,039,538 from companies in Lion Capital Group, namely for the position of Chairman of the Board and General Manager of a Lion Capital subsidiary, and Chairman/member of the Board in some companies within the Group formed by this company.

4. REMUNERATION OF THE (EXECUTIVE) DIRECTORS

4.1 (Executive) Directors' remuneration structure

The remuneration of the directors is approved by the company's Board of Directors. The general limits of the remuneration of the directors to whom a part of its powers has been delegated by the Board of Directors, in accordance with the provisions of Law no. 31/1990, are approved by the general meeting of shareholders.

The Board of Directors will ensure the proportionality of the remuneration granted with the specific responsibilities of the management functions, to ensure an adequate and responsible remuneration, which will ensure the increase of the performances, to increase the value of the company, for the benefit of its shareholders.

Directors' remuneration may consist of a fixed component and a variable component:

The fixed component of remuneration is determined considering sound economic principles, considering the nature and complexity of the activities carried out by those persons as well as the competencies and responsibilities accepted by holding those management positions.

[2] Resolution no. 9 of OGM of April 27, 2023: https://www.lion-capital.ro/docs/en/current-reports/2023/2023-04-27-OGM-resolutions.pdf

The variable remuneration component is based on an assessment that combines the evaluation of individual performance with the overall results of Lion Capital. The variable component can be paid in cash and / or instruments. In accordance with the Remuneration Policy, the Board of Directors has the power to establish the general criteria for assessing the performance of the executive management.

The remuneration of the directors must be within the general limits of the remuneration and the budget approved by the ordinary general meeting of the shareholders of Lion Capital.

Is not considered remuneration for the purposes of the remuneration policy the expenses settled by the company and incurred by the directors in the interest and for the purpose of exercising their functions within the company.

4.2 Components of directors’ remuneration in 2023

During 2023, the executive management was provided by four (executive) directors authorized by the Financial Supervisory Authority:

Name	Position	Period of holding the executive position	Months on duty in 2023
Bogdan-Alexandru Drăgoi	Chairman of BoD, CEO Management delegated by BoD as per Law no. 31/1990 and Articles of Association	August 2015 - present	12
Radu-Răzvan Străuț	Vice-Chairman of BoD, Deputy CEO - Management delegated by BoD as per Law no. 31/1990 and Articles of Association	May 2018 - present	12
Teodora Sferdian*	Deputy General Director - Management delegated by BoD as per Law no. 31/1990 and Articles of Association since 24.02.2022	May 2014 – Sept. 30, 2023	9
Laurențiu Riviș	Director - Management delegated by BoD as per Law no. 31/1990 and Articles of Association since 24.02.2022	Feb. 2016 - present	12

** starting from October 1, 2023, by agreement of the parties, the mandate of deputy general director based on the delegation of powers contract concluded with Lion Capital SA has ended*

The remuneration of the executive directors in 2023 complied with the Remuneration Policy, consisted of fixed remuneration and variable remuneration.

The fixed part of the remuneration consisted of the monthly allowance and benefits in kind (financial and non-financial benefits).

Directors have not benefited from discretionary pension plans.

The variable part of the remuneration has been allocated to reward the performance of each member of the executive during 2023, depending on the performance, risk and non-financial objectives set by the Board of Directors.

The variable component has not been subject to malus and claw-back agreements.

The variable component does not include any additional rewards.

Information on the total remuneration granted to each director for the financial year 2023:

For the year 2023, **the CEO** received a fixed remuneration composed of an annual remuneration amounting to RON 907,760 and benefits in kind in the amount of RON 1,247 per year[3]. The variable remuneration paid in cash for the performance in 2023 was of RON 700,000, in accordance with the Remuneration Policy and the limits approved by the shareholders. The relative proportion of

[3] *Subscription to medical services rendered by a private provider. For directors who also hold the position of executive administrator, this amount is granted only once, regardless of the number of positions held in the Company*

fixed remuneration was 56%, and of the variable cash remuneration was 44%, out of the total cash remuneration granted during 2023 for this position.

On March 8, 2023, the Board of Directors of Lion Capital approved the offering free of charge of 517,500 shares to the CEO under the share-based payment plan (Stock Option Plan) carried out on based on the EGM Resolutions no. 5 and no. 6 of April 28, 2022[4], as variable remuneration in instruments related to the activity carried out in 2022. The exercise of the right by the beneficiary was done in March 2024, and the transfer of the ownership right over the shares was done on March 14, 2024, being met cumulatively the conditions provided in the Payment Plan approved by the Board of Directors and the provisions of the Fiscal Code.

In 2023, the CEO received a total remuneration in the amount of RON 360,000 from companies in the Lion Capital Group, as a member of the board of directors of these entities.

For the year 2023, **the Deputy CEO** (Vice-Chairman of the Board) received a fixed remuneration composed of an annual remuneration amounting to RON 907,760 and benefits in kind amounting to RON 1,247 per year[3]. The variable remuneration paid in cash for the performance in 2023 was of RON 700,000, in accordance with the Remuneration Policy and the limits approved by the shareholders. The relative proportion of fixed remuneration was of 56%, and of the variable cash remuneration was of 44%, out of the total cash remuneration granted during 2023 for this position.

In 2023, the Deputy CEO received a total remuneration in the amount of RON 120,012 from companies in the Lion Capital Group, as a member of the board of directors of these entities.

On March 8, 2023, the Board of Directors of Lion Capital approved the offering free of charge of 472,500 shares to the Deputy CEO under the share-based payment plan (Stock Option Plan) carried out on based on the EGM Resolutions no. 5 and no. 6 of April 28, 2022[4], as variable remuneration in instruments related to the activity carried out in 2022. The exercise of the right by the beneficiary was done in March 2024, and the transfer of the ownership right over the shares was done on March 14, 2024, the conditions being met cumulatively provided in the Payment Plan approved by the Board of Directors and the provisions of the Fiscal Code.

For the year 2023[5], **the Deputy General Director** received a fixed remuneration composed of an annual remuneration amounting to RON 257,711 and benefits in kind amounting to RON 935 per year[6]. The variable remuneration granted for the performance in 2023 was of RON 165,000 in cash, in accordance with the Remuneration Policy and the limits approved by the shareholders. The relative proportion of fixed remuneration was of 61% and of the variable remuneration was of 39%, out of the total remuneration granted during 2023 for this position.

In 2023, the Deputy General Director received a total remuneration in the amount of RON 30,600 from companies in the Lion Capital Group, as a member of the board of directors of these entities.

For the year 2023, **the Director** received a fixed remuneration composed of an annual remuneration amounting to RON 209,346 and benefits in kind amounting to RON 3,167 per year[6]. The variable remuneration granted for the performance in 2023 was of RON 210,000 in cash, in accordance with the Remuneration Policy and the limits approved by the shareholders. The relative proportion of fixed remuneration was of 50% and of the variable remuneration was 50%, out of the total remuneration granted during 2023 for this position.

In 2023, the Director did not receive any remuneration from other entities of the Lion Capital Group.

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[4] https://www.lion-capital.ro/docs/en/current-reports/2022/2022-04-28-EGM-resolutions.pdf • https://www.lion-capital.ro/docs/en/current-reports/2023/2023-03-13-CR-disclosure-document.pdf

[5] *Starting from October 1, 2023, the mandate of deputy general director based on the delegation of powers contract concluded with Lion Capital S.A. has ended, by agreement of the parties*

[6] *Subscription to medical services rendered by a private provider, optional pension insurance (Pillar III)*

4.3 Performance criteria for granting the variable component

The performance of directors is assessed against a series of indicators - quantitative and qualitative - approved by the Board of Directors based on the medium-term strategy and on the latest business plan, and incorporates annual financial, risk and non-financial objectives, which may be effectively measured and evaluated.

The evaluation of fulfilling the performance criteria by the directors is carried out by the Nomination and Remuneration Committee, in accordance with the Remuneration Policy. The annual performance evaluation of the directors for 2023 was made in accordance with the *Methodology for evaluating the performance of the executive management* – the revised version approved by the Board of Directors in December 2022.

Each objective has a weight expressed as a percentage, their sum being equal to 100%.

Qualitative component – with a weight of 50% in total evaluation - includes as objectives for evaluating the performance:

- assessment of the adequacy of knowledge, skills and experience to the needs of the company;
- assessment of professional conduct as a member of the management structure;
- assessment of reputation, honesty and integrity;
- meeting the governance criteria.

In the process of analysing and assessing the results, NRC aims, in the first place, the fulfilment of the conditions and requirements detailed within the internal procedure, approved by the Board of Directors, regarding the Requirements and evaluation criteria.

Quantitative component – with a weight of 50% in total evaluation – includes as objectives for evaluating the performance:

- Performance indicators regarding the achievement of the income and expenses budget approved by the GMS, by comparing the indicators actually achieved with the budgeted ones: KPI 1 - Income (includes dividend income, interest income, other operating income); KPI 2 - Expenses (include Other operating expenses (personnel / administrators' expenses, auxiliary expenses, other expenses); KPI 3 – Profit;
- Compliance with the regulated / approved investment limits, provided by Law no. 243/2019 and Rules of the Fund;
- Compliance with the approved overall risk profile adopted by the Board of Directors according to risk appetite and tolerance and provided in the AIFRI documents.

The objectives for the year 2023, their weights and the degree of achievement:

Objectives 2023		**Chairman - CEO**	**Vice-Chairman - Deputy CEO**	**Deputy General Director**	**Director**
		Weights in total quantitative / qualitative component			
Quantitative Objectives	KPI 1: Income	10%	10%	10%	10%
	KPI 2: Expenses	10%	10%	10%	10%
	KPI 3: Profit	10%	10%	10%	10%
	Compliance with the regulated / approved investment limits	35%	35%	35%	35%
	Compliance with the approved overall risk profile	35%	35%	35%	35%
Qualitative Objectives	Assessing the adequacy of knowledge, skills, and experience	25%	25%	25%	25%
	Professional conduct as a member of the management structure	25%	25%	25%	25%
	Assessing reputation, honesty, and integrity	25%	25%	25%	25%
	Meeting governance criteria	25%	25%	25%	25%
Degree of achieving the objectives in 2023 at the date of evaluation:		100%	100%	100%	100%

5. COMPLIANCE WITH THE REMUNERATION LIMITS APPROVED BY GMS

The general meeting of shareholders setting the general limits of all additional remuneration of members of the board of directors and of the general limits of the remuneration of directors is a requirement of Law 31/1990 on trading companies (at art. 153 ^ 18 par. 2).

The Ordinary General Meeting of Shareholders of April 27, 2023, approved for the financial year 2023 that the general limits of all additional remuneration of members of the board of directors and the general limits of the remuneration of directors be kept at 0.42% of average annual net asset value, established by the OGM Resolution no. 7 of April 27, 2020.

The average annual net asset value for the year 2023 was in the amount of RON 3,571,836,708, so that the maximum limit of remuneration available was in the amount of RON 15,001,714.

In 2023, the total expenses with the additional remunerations of the members of the board of directors and the remunerations of the directors to whom the management is delegated in accordance with Law no. 31/1990 amounted to RON 10,214,819, respectively 0.29% of the average net assets for the year 2023, representing a use of only 68.09% of the available amount approved by the OGM.

6. COMPARATIVE INFORMATION ON THE CHANGE IN REMUNERATION AND THE PERFORMANCE OF THE COMPANY IN THE LAST 5 FINANCIAL YEARS

6.1 Changes in the gross remuneration of directors compared to the change in the average gross remuneration of employees in the last five financial years

Position in the organization chart	**2023 vs 2022**	**2022 vs 2021**	**2021 vs 2020**	**2020 vs 2019**	**2019 vs 2018**
Chairman CEO	10.00%	10.89%	2.50%	0.00%	10.00%
Vice-Chairman, Deputy CEO	10.00%	10.89%	2.50%	0.00%	10.00%
Deputy General Director	6.45%	10.87%	2.50%	0.00%	10.00%
Director	13.98%	15.14%	2.50%	0.00%	10.00%
Changes in the average remuneration of employees	**13.05%**	**12.70%**	**4.12%**	**3.7%**	**15.39%**

6.2 The performance of Lion Capital in the last five financial years

Indicators	**2023**	**2022**	**2021**	**2020**	**2019**
Total income (dividend income, interest income, other revenues) (RON)	166,278,371	174,916,193	135,547,935	94,840,715	121,537,512
Total expenses, of which:	27,526,925	24,393,742	27,498,092	28,472,943	22,236,060
Other operating expenses (RON)	22,458,631	20,609,717	22,388,962	19,678,132	18,913,441
Net profit for the year (RON)	417,255,132	95,467,148	387,001,105	92,122,406	159,494,532
Total comprehensive income for the year (RON)	859,886,058	(144,823,034)	707,542,359	-20,165,826	436,369,094
Net Asset Value * (RON)	4,095,059,742	3,238,773,573	3,408,921,783	2,884,036,120	2,724,317,526
Change of income (yoy change)	-4.9%	29.0%	42.9%	-22.0%	5.8%
Change of operating expenses (yoy change)	8.9%	-7.95%	13.8%	4.0%	28.8%
Change of net profit (yoy change)	337.1%	-75.33%	320.1%	-42.2%	106.6%
Change of net asset value (yoy change)	26.4%	-4.99%	18.2%	5.9%	22.3%

** net asset value calculated according to ASF regulations and certified by the depositary bank, values reported together with the annual separate financial statements, audited*

7. FINAL PROVISIONS FOR THE REMUNERATION REPORT

7.1 Compliance with Remuneration Policy / Information on any deviation from the procedure for implementing the Remuneration Policy

In 2023 there were no deviations from the Remuneration Policy regarding the remuneration of the members of the Board of Directors and the Executive Management, all components of remuneration complying with the structure and principles presented in the Remuneration Policy approved by shareholders.

7.2 Availability of the Remuneration Report

This Remuneration Report has been verified by the financial auditor and discussed by the Board of Directors in the meeting held on March 27, 2024.

In accordance with the provisions of art. 107, paragraph (6) of Law no. 24/2017, the Remuneration report is submitted for the approval of the shareholders in the Ordinary General Meeting of Shareholders convened for April 29 (30), 2024, the opinion of the shareholders in the general meeting regarding the remuneration report, resulting from the vote, having an advisory character.

After the general meeting of shareholders, the Remuneration Report is made available to the public, free of charge, on Lion Capital's website, for a period of 10 years from its publication, in accordance with the provisions of the Law no. 24/2017.

Chairman of the Board of Directors,
Bogdan-Alexandru DRĂGOI

ANNEX

REPORT ON THE REMUNERATION PAID BY LION CAPITAL IN THE FINANCIAL YEAR 2023

- REPORT PREPARED AS AIFM -

Indicators/ Gross amounts	Amounts related to the activity carried out in the reporting year (n) (RON / currency)	Amounts actually paid during the year subject to reporting (n) (RON / currency) net	Amounts payable during the reporting year (n + 1) or deferred (RON / currency)	No. of beneficiaries
1. Remuneration granted to all IMC / AIFM staff (including outsourced functions) *	8,590,914	8,590,914	2,940,300	39
Fixed remuneration	6,080,773	6,080,773	-	
Variable remuneration excluding performance fees, of which:				
- cash	2,510,141	2,510,141	-	
- other forms (separately indicating each category)**			2,940,300	2
Variable remuneration representing performance fees	-	-	-	
2. Remuneration for identified staff of IMC / AIFM staff (including outsourced functions)	7,596,869	7,596,869	2,940,300	
A. Members of the Board of Directors, of which	1,062,000	1,062,000	-	5
Fixed remuneration	1,062,000	1,062,000	-	
Variable remuneration excluding performance fees, of which:				
- cash	0	0	-	
- other forms (separately indicating each category)	0	0	-	
Variable remuneration representing performance fees	-	-	-	
B. Directors/members of Executive of which:	4,057,5777	4,057,577	2,940,300	4
Fixed remuneration	2,282,577	2,282,577	-	
Variable remuneration excluding performance fees, of which:				
- cash	1,775,000	1,775,000	-	4
- other forms (separately indicating each category) **			2,940,300	2
Variable remuneration representing performance fees	-	-	-	
C. Functions having control responsibilities (expressly indicating all functions included in this category) ***	456,326	456,326	-	4

Indicators/ Gross amounts	Amounts related to the activity carried out in the reporting year (n) (RON / currency)	Amounts actually paid during the year subject to reporting (n) (RON / currency) net	Amounts payable during the reporting year (n + 1) or deferred (RON / currency)	No. of beneficiaries
Fixed remuneration	356,326	356,326	-	
Variable remuneration excluding performance fees, of which:				
- cash	100,000	100,000	-	
- other forms (separately indicating each category)	0	0		
Variable remuneration representing performance fees	-	-	-	
D. Other functions than those indicated in letter A-C above, included in the category of identified staff (expressly indicating all functions included in this category) ****	2,020,966	2,020,966	-	13
Fixed remuneration	1,633,843	1,633,843	-	
Variable remuneration excluding performance fees, of which:				
- cash	387,123	387,123	-	
- other forms (separately indicating each category)	0	0	-	
Variable remuneration representing performance fees	-	-	-	

** Includes administrators, directors to whom management is delegated acc. to. Law 31/1990, employed personnel and the internal audit function (outsourced function)*
*** The amount on the transfer date to the beneficiaries (March 14, 2024), related to the 990,000 LION shares granted free of charge under the share-based payment plan (Stock Option Plan) carried out as per EGM Resolutions no. 5 and no. 6 of April 28, 2022, and of the Board of Directors decision of March 8, 2023. The shares were allocated on March 8, 2023, and the right was exercised in March 2024*
**** Includes risk officer, compliance officer and internal auditor (outsourced function)*
***** Includes office managers, IT manager, HR manager, chief accountant, analysts and consultants in the Valuation and Net Asset Office*

ARTICLES OF ASSOCIATION OF
LION CAPITAL SA

FREE TRANSLATION
prepared for the convenience of English-speaking readers, as translation of the original document issued in Romanian, which is the official and binding version; for purposes of interpretation the Romanian text shall be authoritative and final

Article 1 Name of the company, legal form, and duration of the company
(1) The name of the company is "LION CAPITAL SA"
(2) The legal form of the company is joint stock company, established according to the applicable regulations as an Alternative Investment Fund of investment companies type – AIFIC (Romanian acronym FIAS), the category of alternative investment fund addressed to retail investors – AIFRI (Romanian acronym FIAIR), with a diversified investment policy, closed-ended, self-managed.
(3) The Company is self-managed and is authorized by the Financial Supervisory Authority as alternative investment fund manager.
(4) The company operates under the provisions of ordinary and special laws, concerning: the alternative investment funds, established as investment companies with legal personality, whose shares are listed on a regulated market, the alternative investment fund managers, the companies admitted to trading on a regulated market, the joint-stock companies, the provisions of these Articles of Association, as well as the rules and operating procedures of the company.
(5) The Company is headquartered in: Arad, 35A Calea Victoriei, Arad County. The company will be able to establish branches, subsidiaries, agencies, representations, places of business, both in the country and abroad, in compliance with the applicable legal requirements.
(6) The duration of company's operation is of 99 years. The shareholders have the right to extend the duration of the company before its expiration, by a resolution of the Extraordinary General Meeting of Shareholders.

Article 2 Object of the company
(1) The main object of activity: Financial intermediation except for activities of insurance and of pension funds,
NACE (ro: CAEN) code 64, and the main object of company's activity is Other financial intermediation n.c.a., NACE (ro: CAEN) code 6499. The object of object of company's activity consists in:
a) portfolio management;
b) risk management;
c) other activities carried within the collective management of an investment fund, permitted by the legislation
in force, such as:
(i) management of the entity: legal and accounting services of the company, requests for information from investors, valuation of assets, tax returns, monitoring of compliance with applicable law, record of holders of equity securities, distribution of income, issuance and repurchase of equity securities, settlement of contracts, including issuance of certificates, record keeping.
(ii) distribution;
(iii) activities related to the assets of the AIF: services required for the carrying out the duties of AIFM's management, infrastructure management, real estate management, advice to entities on the structure of capital, industrial strategy and related matters, consultancy and services on mergers and acquisitions of entities, as well as other services related to the management of the AIF and of the companies and other assets in which it has invested.
(2) The Bucharest-Rahmaninov branch of Lion Capital S.A:, unincorporated, located in Bucharest, sector 2, 46-48 Serghei Vasilievici Rahmaninov Street, 3rd floor, carry out the same object of activity as the Company.

Article 3 Share capital and shares
(1) The share capital of the company amounts to RON 50,751,005.60 and is divided into 507,510,056 shares of RON 0.10 each, appropriated per shareholders as shown in the records entered in the shareholders' registry.
(2) The shares issued by the company are registered, of equal value, issued in dematerialized form and grant equal rights to their holders. The nominal value of a share is RON 0.10. The shares are indivisible, and the company admits a sole representative to exercise the rights attached to a share.

Article 4 The Shareholders
(1) Shareholders of the Company are the persons who have acquired shares of the company, in compliance with the applicable legal provisions, the proof of this quality being attested by the account statement issued by the authorized entity according to the law.
(2) May become shareholders of the Company the persons that purchase shares on the regulated market or acquire shares of the Company in another manner permitted by law or Company's Articles of Association.

Article 5 Rules on the issue, holding and sale of shares
(1) New shares may be issued pursuant to the legal regulations for the increase of share capital;
(2) Shares may be ordinary or preference shares, per law;
(3) The record of company's shares and shareholders is kept by the authorized central depository, pursuant to the provision of the law;
(4) The shares held by the shareholders will be nominative (registered), dematerialized and registered by entry in the account;
(5) The shares are freely negotiable;
(6) Trading of shares shall be performed only on the regulated market on which they are listed.
(7) The company may repurchase its own shares, under the conditions and in compliance with the applicable legal provisions. The shares of the Company may not be repurchased at the request of the investors, directly or indirectly, from Company's assets, before the beginning of the liquidation stage of the Company.

Article 6 The General Meeting of Shareholders
(1) The General Meeting of Shareholders is the supreme deliberation and decision-making body of the company and operates in accordance with the legal provisions in force and of the articles of association.
(2) The general meetings are ordinary and extraordinary.
(3) The Ordinary General Meeting shall be convened at least once a year no later than four months after the end of the financial year.
(4) The extraordinary general meeting shall be convened whenever needed.
(5) Besides debating other issues on the agenda, the Ordinary General Meeting shall:
a) discuss, approve, or amend the financial statements, based on the reports of the Board of Directors (administrators) and the financial auditor, and set the dividend.
b) elect and revoke the administrators (members of the Board of Directors);
c) appoint or dismiss the financial auditor and set the minimum duration of the contract for the financial audit;
d) to determine the remuneration for the current year for the administrators, as well as the general limits of all the additional remunerations of the administrators and of the remunerations of the directors to whom the management of the company has been delegated, according to Law no. 31/1990;
e) to decide upon the activity of the administrators;
f) to determine the income and expenditure budget and, where appropriate, the operational plan for the succeeding financial year;
g) to decide on the pledge, lease or closing of one or several units of the company.

(6) The General Meeting of Shareholders shall empower the Board of Directors to buyback the shares of Lion Capital S.A. at the prices set by the Board of Directors pursuant to ASF regulations.
(7) The Extraordinary General Meeting convenes for:
a) the increase of the share capital, which will be carried out in compliance with the legal provisions in force;
b) changing the company's object of activity;
c) changing the legal form of the company and / or changing the form of administration, in accordance with
the law;
d) moving the company's headquarters;
e) merger with other companies;
f) reduction of the share capital or its replenishment by issuing new shares;
g) early dissolution of the company;
h) conversion of shares from one category to another;
i) consolidation or division (splitting) of the nominal value of the shares;
j) prolongation of the company's duration;
k) any other amendment of the Articles of Association or any other decision for which the approval of the extraordinary meeting is required.
(8) The Extraordinary General Meeting has delegated to the Board of Directors the exercise of its powers to:
(a) increase the share capital;
(b) change the object of the company, except for the field and the main business of the company, which remain within the exclusive competence of the extraordinary general meeting;
(c) the establishment, or the dissolution of branches, agencies, representative offices, places of business or other units without legal personality, under the conditions provided by law.
(9) Convening the general meeting of shareholders shall be done considering the legal provisions in force and the provisions of these Articles of Association;
(10) The convening notice for the general meeting is published in the Official Gazette of Romania, Part IV, and in one of the widespread newspapers in the locality where the company's headquarters are located or in the nearest locality, at least 30 days before the date for its holding.
(11) The Ordinary and the Extraordinary General Meeting shall be convened by the Board of Directors, pursuant to the applicable law.
(12) The shareholders registered as at the reference date have the right to participate in the general meeting of shareholders.
(13) Shareholders who are to benefit from dividends or other rights and who are affected by the decisions of the general meeting of shareholders will be identified based on the list provided by the register company as at the date set by the general meeting of shareholders.
(14) Shareholders may attend the general meeting of shareholders directly or may be represented by other persons, shareholders or not, on the basis of a special or general empowerment, according to the law. Shareholders may grant a general empowerment to attend and vote at the general meeting of shareholders, granted by a shareholder, as a client, to an intermediary defined under applicable law, or to an attorney. Shareholders may also vote by correspondence in accordance with applicable legal regulations. The transmission of empowerments (proxies) or votes by correspondence must be carried out so that they are registered with the company at least 48 hours before the meeting, in compliance with the regulations, legal provisions and procedures for the organization and conduct of general meetings, approved, and published according to the law, and the provisions of these Articles of Association, subject to losing the right to vote.
(15) Each share entitles to one vote. The general meeting of shareholders will determine for each resolution adopted at least the number of shares for which valid votes were cast, the proportion of the share capital represented by those votes, the total number of valid votes cast, as well as the number of votes cast "for" and "against" each decision and, if applicable, the number of abstentions. Completing the ballot with the "abstain" option regarding any or even all of the

items on the agenda of a general meeting of shareholders represents a vote also expressed on the respective items on the agenda, the related convening notice will include express mentions with regard to this matter.
(16) To validate the discussions of the ordinary general meeting it is required the presence of shareholders representing at least one quarter of total voting rights. The decisions of the ordinary general meeting shall be taken by the majority of the votes cast.
(17) If the requirements of validity are not met, a second call of the meeting shall take place, this meeting having the authority to discuss the issues on the agenda regardless of the share capital represented by the shareholders present, and decisions are to be taken by the majority.
(18) To validate the decisions of the extraordinary general meeting it is required for the first call the presence of shareholders holding at least a quarter of the total number of voting rights, and for the subsequent calls, the presence of shareholders representing at least one fifth of the total of voting rights. The decisions are taken by a majority of votes held by shareholders that are present or represented. The decision to change the main activity of the company, to reduce or increase the share capital, to change the legal form, to merge, split or dissolve the company shall be taken by a majority of at least two thirds of the voting rights held by the shareholders that are present or represented.
(19) The resolutions of the ordinary or extraordinary general meeting may also be adopted based on the votes cast by correspondence and / or by another procedure for consulting the shareholders permitted by law. The procedure for consulting the shareholders will be in accordance with applicable law, the Board of Directors having the responsibility for organizing and the conduct of the voting methods in the general meetings of shareholders, within the limits provided by law.
(20) Resolutions of the general meeting are taken by open vote. The secret ballot is mandatory for the election or revocation of the Board of Directors, for the appointment of revocation of the financial auditor and for taking the decisions regarding the liability of the members of the management (Board), executive management and control bodies of the Company.
(21) The members of the Board of Directors may not vote on the basis of the shares they own, either personally or through representatives, for their own discharge of liabilities or on matters concerning their persons or their activity.
(22) The shareholder having an interest contrary to that of the company in a particular operation, will have to refrain from deliberations on that operation.
(23) A shareholder failing to meet this provision shall be liable for damages to the company, if without their vote the required majority would not have been met.
(24) The decisions taken by the general meeting compliant to the law and the company's Articles of Association are also mandatory for the shareholders who did not attend the meeting or voted against.
(25) The general meeting of shareholders shall be presided by the Chairman of the Board of Directors, and in his absence, by the Vice-Chairman.
(26) Upon the request of Lion Capital SA, the central depository that keeps records of company's shareholders shall provide the necessary data and information for the organization and the conduct of the general meeting of shareholders, pursuant to the legal and conventional provisions in force.
(27) The general meeting of shareholders elects from amongst the shareholders one to three secretaries to verify the attendance list and the representation of shareholders, their voting right, the fulfilment of formalities required by law and by the Articles of Association for holding the general meeting, and to draft the minutes of the meeting, which will be recorded in register and will be signed by the chairman of the general meeting and by the secretaries. The Chairman could appoint, of Company's employees, one or several technical secretaries to take part in the implementation of the operations provided for above.

Article 7 The Board of Directors
(1) The company is administrated by board of directors (administrators) comprised of 5 members, elected by the general meeting for a period of 4 years, with the possibility to be re-elected. In case

of vacancy of one or more administrators, the other administrators shall appoint interim administrators until the assembly of the general meeting.
(2) The members of the Board of Directors (administrators) must have a good reputation and enough experience to ensure the sound and prudent management of the company. The administrators have to meet the general requirements provided by Company Law no. 31/1990 supplemented with the special ones provided by the applicable capital market legislation and ASF regulations.
(3) The administrators will be remunerated for their activity, as approved by the general meeting of shareholders.
(4) The administrators must conclude a professional liability insurance, under the terms provided by law;
(5) The Board of Directors elects from among its members a Chairman and a Vice-Chairman. The Chairman of the Board of Directors will also hold the position of General Director (CEO) of the company.
(6) The Board of Directors meets at the company's headquarters or other venue indicated in the Convening Notice, once a month or whenever necessary, as convened by the Chairman, or in his absence thereof, by the Vice-Chairman.
(7) The Board of Directors may also be convened at the reasoned request of at least 2 of its members or of the CEO (general director). In this case, the agenda is decided by the authors of the request. The Chairman is bound to agree on such request.
(8) The convening notice for the meeting of the Board of Directors will be sent to the administrators (members of the Board) sufficiently before the date of the meeting, the term, and the modalities of holding the meeting being established by the working procedures approved by the Board of Directors, in compliance with the legislation in force. The convocation will include the date, the place where the meeting will be held, and the agenda. Decisions that are not provided for on the agenda may be taken only in cases of urgency. The Chairman shall chair the meetings. In the absence of the Chairman, the proceedings shall be chaired by the Vice-Chairman. For the validity of the decisions of the Board of Directors, the presence of at least half of the number of members is required, provided by the Articles of Association.
(9) The members of the Board may also attend the meetings by means of remote communication (e.g. conference-calls, video-conferences, Internet-conference, a.s.o.) about which an indication shall be made in the minutes of the meeting. In exceptional cases, justified by the urgency of the situation and the interest of the Company, the decisions of the Board of Directors, except for those concerning the annual financial statements or the authorized capital, may be taken by the unanimous vote expressed in writing (e-mail and fax included) of the members of the Board, without a meeting of the Board of Directors being necessary.
(10) Decisions of the Board of Directors shall be taken by a majority vote of the members present.
(11) The Board of Directors has the power to decide during the interval between general meetings regarding the management of the company, except for the decisions that the law or the Articles of Association indicate exclusively for the general meeting.
(12) The Board of Directors decides upon:
a) the strategy and the investment and development policy of the company;
b) submits for the approval of the general shareholders meeting, within legal term, the report on the company's activity, its financial position and results, and the draft of company's budget;
c) preparing the annual report, general shareholders' meeting organization and implementing its resolutions;
d) submits for approval to the general meeting of shareholders the adjustment of the income and expenditure
budget, depending on the fluctuations in the economy;
e) the rules of organization and functioning of the company, policies and strategies for fund management;
f) setting the accounting policies and financial control system, as well as approving the financial planning;

g) setting the policies and procedures on significant risk management; approving risk limits and risk tolerance;
h) measures of acquisition, disposal, exchange or warrant of assets classified as non-current assets of the company, whose value exceeds individually or cumulatively, during a financial year, 20% of the total noncurrent assets, less the receivables, will be concluded by the administrators or executive directors of the company only after their prior approval of the extraordinary general meeting of shareholders in accordance with the law;
i) the appointment and removal of executive directors as well as the establishment of their competencies;
j) the contracts with the depositary bank, the financial auditor and with the central depository, according to the regulations in force;
k) solving any other matters decided by the general meeting of shareholders;
(13) The duties and powers of the Chairman of the Board shall be established by internal regulations.
(14) The Board of Directors delegates some of its powers to the executive directors, at the same time setting their remuneration, within the general limits approved by the General Meeting of Shareholders. Company directors shall meet the minimum requirements concerning integrity, qualification and professional experience required by the applicable regulations and legal provisions in force.
(15) The Chairman – CEO (General Director), and in his absence, the Vice-Chairman, and in the absence of the latter, the directors, represent the company in dealings with third parties, within the limits of the duties and powers provided by the internal regulations of the Company and the powers of decision and signature, approved by the Board of Directors.
(16) The members of the Board of Directors are entitled to recover the costs incurred in exercising their mandate.
(17) The General Meeting of Shareholders shall annually determine the amount of remuneration to be paid to the administrators.
(18) The revocation of the Board of Directors will be possible only on duly justified reasons, by the ordinary general meeting of shareholders.
(19) The Board of Directors has the responsibility to ensure the establishment and implementation of corporate governance principles regarding, but not limited to:
a) the strategic management of the company and fulfilling the set objectives;
b) formulation of company's business plan and evaluation of the financial position thereof;
c) ensuring that an appropriate framework to verify the information submitted to the regulatory and supervisory entity, upon their request, concerning specific actions undertaken by the company and the verification of the manner the specific law is applied concerning the submitting the reports to regulatory and supervisory entity;
d) the adequacy, efficiency and update of risk management system;
e) the adequacy, efficiency, and update of the internal control-compliance system, so as to ensure its independence from the operational and support organizational structures within the company, which it controls and monitors;
f) compliance with the requirements concerning outsourcing / delegating operational activities or functions;
g) establishing and reviewing the remuneration policy so as to ensure that all commitments relating to remuneration are correctly and responsibly structured and that the remuneration policy allows and promotes an effective risk management without leading to risk-taking exceeding the company's risk tolerance;
h) establishing the communication strategy with stakeholders, complying with the legal requirements;
i) establishing relevant criteria for monitoring the results of the executive management and the company as a whole, and to annually evaluate the application of the criteria;
j) approval of company's risk appetite and risk tolerance limits, and the procedure for identifying, assessing, monitoring, managing and reporting the significant risks the company is or might be exposed to;

k) ensuring the preparation and implementing of clear action plans ensuring business continuity and for emergency situations and their bi-annual evaluation in order to eliminate risks or mitigate them;
l) ensuring the development of ethical and professional standards to ensure a professional and responsible behaviour in the company in order to prevent the occurrence of conflicts of interest.

Article 8 Financial audit and internal audit
(1) The financial year of the company shall begin on the date of January 1, and end on December 31 of each year.
(2) The annual financial statements, the annual report of the Board of Directors, and the proposal on the distribution of profit shall be made available to shareholders at least 30 days before the date of the general meeting of shareholders.
(3) The net profit will be distributed according to the approval of the ordinary general meeting of shareholders and the legal provisions in force;
(4) The company constitutes legal reserves and other reserves, in accordance with the law.
(5) Dividends shall be distributed to shareholders in proportion to the number of shares held.
(6) The payment of dividends due to shareholders is made by the company, in accordance with the law.
(7) If a loss of net assets is found, the general meeting of shareholders will analyse the causes and decide accordingly, as per law.
(8) The financial statements of the company are audited by a financial auditor in accordance with the applicable legal provisions.
(9) The financial auditor will be appointed by the general meeting of shareholders, which will set the term of office. The activity of the financial auditor will be carried out in accordance with the legal provisions in force, based on a service contract that will be approved by the Board of Directors;
(10) The company will organize its internal audit in accordance with the legal provisions in force.

Article 9 Company's personnel.
(1) The company´s organization and the establishment plan with the payroll limits are approved by the Board of Directors.
(2) The members of the personnel are employed by the General Director.

Article 10 Borrowings.
The company may temporarily borrow funds, in compliance with the regulations in force.

Article 11 Investments of the company
(1) The company may acquire and hold investments only in the assets and under the conditions allowed by the regulations in force.
(2) The investment policy is established by the company, in compliance with the prudential rules provided by the applicable regulations and legal provisions. The investment policy is established in accordance with the legal provisions applicable to alternative investment funds addressed to retail investors, with a diversified investment policy. The rules of AIF detail the investment policy and include the types of investments allowed according to the legal provisions.

Article 12 Reports
The company shall publish reports and statements set by the regulations in force and comply with all reporting requirements established by law, regulations of the supervisory authority and of the regulated market on which the shares issued by the company are traded.

Article 13 Transparency
(1) The company shall provide all necessary facilities and information to enable shareholders to exercise their legal and statutory rights pursuant to the applicable legal provisions.

(2) The Company shall provide equal treatment for all the shareholders who hold shares of the same class.

Article 14 Incompatibilities
(1) The persons elected in the Board of Directors shall meet the requirements laid down in Law 31/1990 republished and the capital market legislation and shall not be members of the board of directors / supervisory board or managers / members of the executive board of another AIFM/investment management company/investment company or of Lion Capital S.A. depositary bank, shall not be members of the board of directors/supervisory board of the SSIF with which [...] S.A. concluded a financial intermediation contract and shall not be employed or have any kind of contractual relationship with another SAI or an investment company, except for other entities belonging to the same group.
(2) The persons appointed as directors (managers) and the persons replacing them in office shall not be members of the board of directors / supervisory board or managers / members of the executive board of other AIFM or of credit institutions acting as depositary for Lion Capital SA, not to be members of the board of directors / supervisory board, managers or members of the executive board of the investment firm (SSIF) with which Lion Capital SA concluded a financial intermediation contract and not to be employed or have any kind of contractual relationship with another AIFM, except for other entities belonging to the same group.

Article 15 Net asset of the company. Net asset value will be monthly calculated, certified, and published in compliance with the applicable regulations in force. The evaluation of the assets under company's management for the calculation of the net asset value will be performed in compliance with the legal regulations in force.

Article 16 Depositary
(1). The company will conclude a depository contract with a depositary (bank) authorized and supervised by the competent authority, in accordance with applicable law. The activities that the depositary will carry out will be provided in the contract concluded between the Company and the depositary (bank).
(2) The depositary may be replaced, in accordance with the provisions of the contract concluded between the Company and the depositary and in accordance with the regulations in force, ensuring the protection of investors in this situation.

Article 17 Dissolution and liquidation of the company.
(1) The dissolution of the company will take place in the cases expressly provided by law. In case of dissolution, the company will be liquidated.
(2) The liquidation will take place on the date of the termination of the company's existence. The Company's shares may not be redeemed at the request of investors, directly or indirectly, from the Company's assets, before the start of the liquidation phase of the Company.
(3) The liquidation complies with the procedure provided by law. After its completion, the liquidators will request the deregistration of the company from the Trade Register.

Article 18 Litigations.
Litigations of the company with natural or legal persons fall within the jurisdiction of the courts in Romania. They may be settled by arbitration.

Article 19 Matters not covered.
(1) Matters not regulated in this Articles of Association, which concern the operation of the company, merger, division, association with other companies, dissolution, and liquidation, are subject to the provisions of company law, as well as special regulations on alternative investment funds and alternative investment fund managers.

(2) Whenever the terms “law”, “legal provisions”, “legal regulations” are used in this Articles of Association, references shall be made to all regulations issued by the regulatory authority as well as to special or general legal provisions on the organization and operation of the company.
(3) Any subsequent normative acts that remove or restrict the limitations expressly provided for at present for self-managed alternative investment funds or for alternative investment funds managers, the clauses of this Articles of Association will be considered modified by the effect of the law.

Article 20 Amendment of the Articles of Association.
(1) The amendment of the articles of association will be made under the procedure provided by the regulations in force and under the conditions of the Articles of Association.
(2) The Chairman of the Board is empowered take the legal steps for the signing of the amended Articles of Association and request the registration with Arad Trade Register Office.

These Articles of Association have been rewritten today February 24, 2023, in 5 (five) original copies.

Chairman of the Board of Directors of Lion Capital SA
Drăgoi Bogdan-Alexandru

ARTICLES OF ASSOCIATION OF
THE COMPANY LION CAPITAL S.A.

FREE TRANSLATION
prepared for the convenience of English-speaking readers, as translation of the original document issued in Romanian, which is the official and binding version; for purposes of interpretation the Romanian text shall be authoritative and final

Article 1 Name of the company, legal form, and duration of the company.
(1) The name of the company is "LION CAPITAL SA"
(2) The legal form of the company is joint stock company, established according to the applicable regulations as an Alternative Investment Fund of investment companies type – AIFIC (Romanian acronym FIAS), the category of alternative investment fund addressed to retail investors – AIFRI (Romanian acronym FIAIR), with a diversified investment policy, closed-ended, self-managed.
(3) The Company is self-managed and is authorized by the Financial Supervisory Authority as alternative investment fund manager.
(4) The company operates under the provisions of ordinary and special laws, concerning: the alternative investment funds, established as investment companies with legal personality, whose shares are listed on a regulated market, the alternative investment fund managers, the companies admitted to trading on a regulated market, the joint-stock companies, the provisions of these Articles of Association, as well as the rules and operating procedures of the company.
(5) The Company is headquartered in: Arad, 35A Calea Victoriei, Arad County. The company may establish branches, subsidiaries, agencies, representations, places of business, both in the country and abroad, in compliance with the applicable legal requirements.
(6) The duration of company's operation is of 99 years. The shareholders have the right to extend the duration of the company before its expiration, by a resolution of the Extraordinary General Meeting of Shareholders.

Article 2 Object of the company.
(1) The main object of activity: Financial intermediation except for activities of insurance and of pension funds,
NACE (Nomenclature of Economic Activities) (Romanian acronym CAEN) code 64, and the main object of company's activity is Other financial intermediation n.c.a., NACE code 6499. The object of object of company's activity consists in:
a) portfolio management;
b) risk management;
c) other activities carried within the collective management of an investment fund, permitted by the legislation
in force, such as:
(i) management of the entity: legal and accounting services of the company, requests for information from investors, valuation of assets, tax returns, monitoring of compliance with applicable law, record of holders of equity securities, distribution of income, issuance and repurchase of equity securities, settlement of contracts, including issuance of certificates, record keeping.
(ii) distribution;

(iii) activities related to the assets of the AIF: services required for the carrying out the duties of AIFM's management, infrastructure management, real estate management, advice to entities on the structure of capital, industrial strategy and related matters, consultancy and services on mergers and acquisitions of entities, as well as other services related to the management of the AIF and of the companies and other assets in which it has invested.
(2) The Bucharest-Rahmaninov branch of Lion Capital S.A:, unincorporated, located in Bucharest, sector 2, 46-48 Serghei Vasilievici Rahmaninov Street, 3rd floor, carry out the same object of activity as the Company.

Article 3 Share capital and shares.
(1) The share capital of the company amounts to RON 50,751,005.60, and is divided into 507,510,056 shares of RON 0.10 each, appropriated per shareholders as shown in the records entered in the shareholders' registry.
(2) The shares issued by the company are registered, of equal value, issued in dematerialized form and grant equal rights to their holders. The nominal value of a share is RON 0.10. The shares are indivisible, and the company admits a sole representative to exercise the rights attached to a share.

Article 4 The Shareholders.
(1) Shareholders of the Company are the persons who have acquired shares of the company, in compliance with the applicable legal provisions, the proof of this quality being attested by the account statement issued by the authorized entity according to the law.
(2) May become shareholders of the Company the persons that purchase shares on the regulated market or acquire shares of the Company in another manner permitted by law or Company's Articles of Association.

Article 5 Rules on the issue, holding and sale of shares.
(1) New shares may be issued pursuant to the legal regulations for the increase of share capital;
(2) Shares may be ordinary or preference shares, per law;
(3) The record of company's shares and shareholders is kept by the authorized central depository, pursuant to the provision of the law;
(4) The shares held by the shareholders will be nominative (registered), dematerialized and registered by entry in the account;
(5) The shares are freely negotiable;
(6) Trading of shares shall be performed only on the regulated market on which they are listed.
(7) The company may repurchase its own shares, under the conditions and in compliance with the applicable legal provisions. The shares of the Company may not be repurchased at the request of the investors, directly or indirectly, from Company's assets, before the beginning of the liquidation stage of the Company.

Article 6 The General Meeting of Shareholders.
(1) The General Meeting of Shareholders is the supreme deliberation and decision-making body of the company and operates in accordance with the legal provisions in force and of the articles of association.
(2) The general meetings are ordinary and extraordinary.
(3) The Ordinary General Meeting shall be convened at least once a year no later than four months after the end of the financial year.
(4) The extraordinary general meeting shall be convened whenever needed.
(5) Besides debating other issues on the agenda, the Ordinary General Meeting shall:

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a) discuss, approve, or amend the financial statements, based on the reports of the Board of Directors (administrators) and the financial auditor, and set the dividend.
b) elect and revoke the administrators (members of the Board of Directors);
c) appoint or dismiss the financial auditor and set the minimum duration of the contract for the financial audit;
d) to determine the remuneration for the current year for the administrators, as well as the general limits of all the additional remunerations of the administrators and of the remunerations of the directors to whom the management of the company has been delegated, according to Law no. 31/1990;
e) to decide upon the activity of the administrators;
f) to determine the income and expenditure budget and, where appropriate, the operational plan for the succeeding financial year;
g) to decide on the pledge, lease or closing of one or several units of the company.
(6) The General Meeting of Shareholders shall empower the Board of Directors to buyback the shares of Lion Capital S.A. at the prices set by the Board of Directors, in accordance with the applicable legal regulations and within the limits approved by the general meeting of shareholders.
(7) The Extraordinary General Meeting convenes for:
a) the increase of the share capital, which will be carried out in compliance with the legal provisions in force;
b) changing the company's object of activity;
c) changing the legal form of the company and / or changing the form of administration, in accordance with
the law;
d) moving the company's headquarters;
e) merger with other companies;
f) reduction of the share capital or its replenishment by issuing new shares;
g) early dissolution of the company;
h) conversion of shares from one category to another;
i) consolidation or division (splitting) of the nominal value of the shares;
j) prolongation of the company's duration;
k) any other amendment of the Articles of Association or any other decision for which the approval of the extraordinary meeting is required.
(8) The Extraordinary General Meeting has delegated to the Board of Directors the exercise of its powers to:
(a) increase the share capital;
(b) change the object of the company, except for the field and the main business of the company, which remain within the exclusive competence of the extraordinary general meeting;
(c) the establishment, or the dissolution of branches, agencies, representative offices, places of business or other units without legal personality, under the conditions provided by law.
(9) Convening the general meeting of shareholders shall be done considering the legal provisions in force and the provisions of these Articles of Association;
(10) The convening notice for the general meeting is published in the Official Gazette of Romania, Part IV, and in one of the widespread newspapers in the locality where the company's headquarters are located or in the nearest locality, at least 30 days before the date for its holding.

(11) The Ordinary and the Extraordinary General Meeting shall be convened by the Board of Directors, pursuant to the applicable law.
(12) The shareholders registered as at the reference date have the right to participate in the general meeting of shareholders.
(13) Shareholders who are to benefit from dividends or other rights and who are affected by the decisions of the general meeting of shareholders will be identified based on the list provided by the register company as at the date set by the general meeting of shareholders.
(14) Shareholders may attend the general meeting of shareholders directly or may be represented by other persons, shareholders or not, on the basis of a special or general empowerment, according to the law. Shareholders may grant a general empowerment to attend and vote at the general meeting of shareholders, granted by a shareholder, as a client, to an intermediary defined under applicable law, or to an attorney. Shareholders may also vote by correspondence in accordance with applicable legal regulations. The transmission of empowerments (proxies) or votes by correspondence must be carried out so that they are registered with the company at least 48 hours before the meeting, in compliance with the regulations, legal provisions and procedures for the organization and conduct of general meetings, approved, and published according to the law, and the provisions of these Articles of Association, subject to losing the right to vote.
(15) Each share entitles to one vote. The general meeting of shareholders will determine for each resolution adopted at least the number of shares for which valid votes were cast, the proportion of the share capital represented by those votes, the total number of valid votes cast, as well as the number of votes cast "for" and "against" each decision and, if applicable, the number of abstentions. Completing the ballot with the "abstain" option regarding any or even all of the items on the agenda of a general meeting of shareholders represents a vote also expressed on the respective items on the agenda, the related convening notice will include express mentions with regard to this matter.
(16) To validate the discussions of the ordinary general meeting it is required the presence of shareholders representing at least one quarter of total voting rights. The decisions of the ordinary general meeting shall be taken by the majority of the votes cast.
(17) If the requirements of validity are not met, a second call of the meeting shall take place, this meeting having the authority to discuss the issues on the agenda regardless of the share capital represented by the shareholders present, and decisions are to be taken by the majority.
(18) To validate the decisions of the extraordinary general meeting it is required for the first call the presence of shareholders holding at least a quarter of the total number of voting rights, and for the subsequent calls, the presence of shareholders representing at least one fifth of the total of voting rights. The decisions are taken by a majority of votes held by shareholders that are present or represented. The decision to change the main activity of the company, to reduce or increase the share capital, to change the legal form, to merge, split or dissolve the company shall be taken by a majority of at least two thirds of the voting rights held by the shareholders that are present or represented.
(19) The resolutions of the ordinary or extraordinary general meeting may also be adopted based on the votes cast by correspondence and / or by another procedure for consulting the shareholders permitted by law. The procedure for consulting the shareholders will be in accordance with applicable law, the Board of Directors having the responsibility for organizing and the conduct of the voting methods in the general meetings of shareholders, within the limits provided by law.

(20) Resolutions of the general meeting are taken by open vote. The secret ballot is mandatory for the election or revocation of the Board of Directors, for the appointment of revocation of the financial auditor and for taking the decisions regarding the liability of the members of the management (Board), executive management and control bodies of the Company.
(21) The members of the Board of Directors may not vote on the basis of the shares they own, either personally or through representatives, for their own discharge of liabilities or on matters concerning their persons or their activity.
(22) The shareholder having an interest contrary to that of the company in a particular operation, will have to refrain from deliberations on that operation.
(23) A shareholder failing to meet this provision shall be liable for damages to the company, if without their vote the required majority would not have been met.
(24) The decisions taken by the general meeting compliant to the law and the company's Articles of Association are also mandatory for the shareholders who did not attend the meeting or voted against.
(25) The general meeting of shareholders shall be presided by the Chairman of the Board of Directors, and in his absence, by the Vice-Chairman.
(26) Upon the request of Lion Capital SA, the central depository that keeps records of company's shareholders shall provide the necessary data and information for the organization and the conduct of the general meeting of shareholders, pursuant to the legal and conventional provisions in force.
(27) The general meeting of shareholders elects from amongst the shareholders one to three secretaries to verify the attendance list and the representation of shareholders, their voting right, the fulfilment of formalities required by law and by the Articles of Association for holding the general meeting, and to draft the minutes of the meeting, which will be recorded in register and will be signed by the chairman of the general meeting and by the secretaries. The Chairman could appoint, of Company's employees, one or several technical secretaries to take part in the implementation of the operations provided for above.

Article 7 The Board of Directors.
(1) The company is administrated by board of directors (administrators) comprised of 5 members, elected by the general meeting for a period of 4 years, with the possibility to be re-elected. In case of vacancy of one or more administrators, the other administrators shall appoint interim administrators until the assembly of the general meeting.
(2) The members of the Board of Directors (administrators) must have a good reputation and enough experience to ensure the sound and prudent management of the company. The administrators have to meet the general requirements provided by Company Law no. 31/1990 supplemented with the special ones provided by the applicable capital market legislation and ASF regulations.
(3) The administrators will be remunerated for their activity, as approved by the general meeting of shareholders.
(4) The administrators must conclude a professional liability insurance, under the terms provided by law;
(5) The Board of Directors elects a chairman and a vice-chairman from among its members. The Chairman of the Board of Directors will also perform the function of CEO (chief executive officer) of the company. The Vice-Chairman of the Board of Directors may also perform the function of Deputy General Director.

(6) The Board of Directors meets at the company's headquarters or other venue indicated in the Convening Notice, once a month or whenever necessary, as convened by the Chairman, or in his absence thereof, by the Vice-Chairman.
(7) The Board of Directors may also be convened at the reasoned request of at least 2 of its members or of the CEO (general director). In this case, the agenda is decided by the authors of the request. The Chairman is bound to agree on such request.
(8) The convening notice for the meeting of the Board of Directors will be sent to the administrators (members of the Board) sufficiently before the date of the meeting, the term, and the modalities of holding the meeting being established by the working procedures approved by the Board of Directors, in compliance with the legislation in force. The convocation will include the date, the place where the meeting will be held, and the agenda. Decisions that are not provided for on the agenda may be taken only in cases of urgency. The Chairman shall chair the meetings. In the absence of the Chairman, the proceedings shall be chaired by the Vice-Chairman. For the validity of the decisions of the Board of Directors, the presence of at least half of the number of members is required, provided by the Articles of Association.
(9) The members of the Board may also attend the meetings by means of remote communication (e.g. conference-calls, video-conferences, Internet-conference, a.s.o.) about which an indication shall be made in the minutes of the meeting. In exceptional cases, justified by the urgency of the situation and the interest of the Company, the decisions of the Board of Directors, except for those concerning the annual financial statements or the authorized capital, may be taken by the unanimous vote expressed in writing (e-mail and fax included) of the members of the Board, without a meeting of the Board of Directors being necessary.
(10) Decisions of the Board of Directors shall be taken by a majority vote of the members present.
(11) The Board of Directors has the power to decide during the interval between general meetings regarding the management of the company, except for the decisions that the law or the Articles of Association indicate exclusively for the general meeting.
(12) The Board of Directors decides upon:
a) the strategy and the investment and development policy of the company;
b) submits for the approval of the general shareholders meeting, within legal term, the report on the company's activity, its financial position and results, and the draft of company's budget;
c) preparing the annual report, general shareholders' meeting organization and implementing its resolutions;
d) submits for approval to the general meeting of shareholders the adjustment of the income and expenditure
budget, depending on the fluctuations in the economy;
e) the rules of organization and functioning of the company, policies and strategies for fund management;
f) setting the accounting policies and financial control system, as well as approving the financial planning;
g) setting the policies and procedures on significant risk management; approving risk limits and risk tolerance;
h) measures of acquisition, disposal, exchange or warrant of assets classified as non-current assets of the company, whose value exceeds individually or cumulatively, during a financial year, 20% of the total noncurrent assets, less the receivables, will be concluded by the administrators or executive directors of the company only after their prior approval of the extraordinary general meeting of shareholders in accordance with the law;

i) the appointment and removal of executive directors as well as the establishment of their competencies;
j) the contracts with the depositary bank, the financial auditor and with the central depository, according to the regulations in force;
k) solving any other matters decided by the general meeting of shareholders;
(13) The duties and powers of the Chairman of the Board shall be established by internal regulations.
(14) The Board of Directors delegates the management of the Company to the directors, at the same time determining their remuneration, within the general limits approved by the General Meeting of Shareholders. The directors of the company shall meet the minimum requirements regarding integrity, qualification and professional experience provided by the applicable regulations and legal provisions in force. The duties and powers of decision and signature, as well as the way of organizing the activities of the directors, are provided in the internal regulations of the Company, approved by the Board of Directors.
(15) The Chairman-CEO or, in his/her absence, the vice-chairman, if he/she holds the position of deputy general director or, in the absence of the latter, the other directors to whom management has been delegated, represent(s) the company in relations with third parties, within the limits of the duties and powers provided by the internal regulations of the Company and the powers of decision and signature, approved by the Board of Directors.
(16) The members of the Board of Directors are entitled to recover the costs incurred in exercising their mandate.
(17) The General Meeting of Shareholders shall annually determine the amount of remuneration to be paid to the administrators.
(18) The revocation of the Board of Directors will be possible only on duly justified reasons, by the ordinary general meeting of shareholders.
(19) The Board of Directors has the responsibility to ensure the establishment and implementation of corporate governance principles regarding, but not limited to:
a) the strategic management of the company and fulfilling the set objectives;
b) formulation of company's business plan and evaluation of the financial position thereof;
c) ensuring that an appropriate framework to verify the information submitted to the regulatory and supervisory entity, upon their request, concerning specific actions undertaken by the company and the verification of the manner the specific law is applied concerning the submitting the reports to regulatory and supervisory entity;
d) the adequacy, efficiency and update of risk management system;
e) the adequacy, efficiency, and update of the internal control-compliance system, so as to ensure its independence from the operational and support organizational structures within the company, which it controls and monitors;
f) compliance with the requirements concerning outsourcing / delegating operational activities or functions;
g) establishing and reviewing the remuneration policy so as to ensure that all commitments relating to remuneration are correctly and responsibly structured and that the remuneration policy allows and promotes an effective risk management without leading to risk-taking exceeding the company's risk tolerance;
h) establishing the communication strategy with stakeholders, complying with the legal requirements;
i) establishing relevant criteria for monitoring the results of the executive management and the company as a whole, and to annually evaluate the application of the criteria;

j) approval of company's risk appetite and risk tolerance limits, and the procedure for identifying, assessing, monitoring, managing and reporting the significant risks the company is or might be exposed to;
k) ensuring the preparation and implementing of clear action plans ensuring business continuity and for emergency situations and their bi-annual evaluation in order to eliminate risks or mitigate them;
l) ensuring the development of ethical and professional standards to ensure a professional and responsible behaviour in the company in order to prevent the occurrence of conflicts of interest.

Article 8 Financial audit and internal audit.
(1) The financial year of the company shall begin on the date of January 1, and end on December 31 of each year.
(2) The annual financial statements, the annual report of the Board of Directors, and the proposal on the distribution of profit shall be made available to shareholders at least 30 days before the date of the general meeting of shareholders.
(3) The net profit will be distributed according to the approval of the ordinary general meeting of shareholders and the legal provisions in force;
(4) The company constitutes legal reserves and other reserves, in accordance with the law.
(5) Dividends shall be distributed to shareholders in proportion to the number of shares held.
(6) The payment of dividends due to shareholders is made by the company, in accordance with the law.
(7) If a loss of net assets is found, the general meeting of shareholders will analyse the causes and decide accordingly, as per law.
(8) The financial statements of the company are audited by a financial auditor in accordance with the applicable legal provisions.
(9) The financial auditor will be appointed by the general meeting of shareholders, which will set the term of office. The activity of the financial auditor will be carried out in accordance with the legal provisions in force, based on a service contract that will be approved by the Board of Directors;
(10) The company will organize its internal audit in accordance with the legal provisions in force.

Article 9 Company's personnel.
(1) The company´s organization and the establishment plan with the payroll limits are approved by the Board of Directors.
(2) The members of the personnel are employed by the CEO (General Director).

Article 10 Borrowings.
The company may temporarily borrow funds, in compliance with the regulations in force.

Article 11 Investments of the company .
(1) The company may acquire and hold investments only in the assets and under the conditions allowed by the regulations in force.
(2) The investment policy is established by the company, in compliance with the prudential rules provided by the applicable regulations and legal provisions. The investment policy is established in accordance with the legal provisions applicable to alternative investment funds addressed to retail investors, with a diversified investment policy. The rules of AIF detail the investment policy and include the types of investments allowed according to the legal provisions.

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Article 12 Reports.
The company shall publish reports and statements set by the regulations in force and comply with all reporting requirements established by law, regulations of the supervisory authority and of the regulated market on which the shares issued by the company are traded.

Article 13 Transparency.
(1) The company shall provide all necessary facilities and information to enable shareholders to exercise their legal and statutory rights pursuant to the applicable legal provisions.
(2) The Company shall provide equal treatment for all the shareholders who hold shares of the same class.

Article 14 Incompatibilities
(1) The persons elected in the Board of Directors shall meet the requirements laid down in Law 31/1990 republished and the capital market legislation and shall not be members of the board of directors / supervisory board or managers / members of the executive board of another AIFM/investment management company/investment company or of Lion Capital S.A. depositary bank, shall not be members of the board of directors/supervisory board of the SSIF with which [...] S.A. concluded a financial intermediation contract and shall not be employed or have any kind of contractual relationship with another SAI or an investment company, except for other entities belonging to the same group.
(2) The persons appointed as directors (managers) and the persons replacing them in office shall not be members of the board of directors / supervisory board or managers / members of the executive board of other AIFM or of credit institutions acting as depositary for Lion Capital SA, not to be members of the board of directors / supervisory board, managers or members of the executive board of the investment firm (SSIF) with which Lion Capital SA concluded a financial intermediation contract and not to be employed or have any kind of contractual relationship with another AIFM, except for other entities belonging to the same group.

Article 15 Net asset of the company. Net asset value will be monthly calculated, certified, and published in compliance with the applicable regulations in force. The evaluation of the assets under company's management for the calculation of the net asset value will be performed in compliance with the legal regulations in force.

Article 16 Depositary of assets.
(1). The company will conclude a depository contract with a depositary (bank) authorized and supervised by the competent authority, in accordance with applicable law. The activities that the depositary will carry out will be provided in the contract concluded between the Company and the depositary (bank).
(2) The depositary may be replaced, in accordance with the provisions of the contract concluded between the Company and the depositary and in accordance with the regulations in force, ensuring the protection of investors in this situation.

Article 17 Dissolution and liquidation of the company.
(1) The dissolution of the company will take place in the cases expressly provided by law. In case of dissolution, the company will be liquidated.
(2) The liquidation will take place on the date of the termination of the company's existence. The Company's shares may not be redeemed at the request of investors, directly or indirectly, from the Company's assets, before the start of the liquidation phase of the Company.
(3) The liquidation complies with the procedure provided by law. After its completion, the liquidators will request the deregistration of the company from the Trade Register.

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Article 18 Litigations.

Litigations of the company with natural or legal persons fall within the jurisdiction of the courts in Romania. They may be settled by arbitration.

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Chairman of the Board of Directors of Lion Capital SA
Drăgoi Bogdan-Alexandru