LION CAPITAL

CONSOLIDATED REPORT

OF THE BOARD OF DIRECTORS

— FOR THE FINANCIAL YEAR —

2023

prepared pursuant to Law no. 24/2017and ASF Norm no. 39/2015

This report 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

1. General Information on Lion Capital Group

1.1. Presentation of the Group

This report presents the Lion Capital's consolidated financial results as of December 31, 2023, prepared in accordance with the International Financial Reporting Standards adopted by the European Union, and ASF 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 ASF from the Financial Instruments and Investments Sector.

Lion Capital's consolidated financial statements prepared for the financial year ended December 31, 2023, include the Company and its subsidiaries (hereinafter referred to as "Group"). For the financial year 2023, the Group comprises Lion Capital (parent company), SAI Muntenia Invest S.A. and Administrare Imobiliare S.A.

1.2. Entities in the Scope of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. The control exists when the Company is exposed or has rights to the variable return based on its participation in the investee entity and could influence those revenues through its authority over the entity in which it invested. When assessing control, potential voting rights that are exercisable or convertible at that time are considered.

The financial statements of subsidiaries are included in the consolidated financial statements from the moment of exercising the control begins and until its termination. Accounting policies of subsidiaries have been changed to align them with those of the Group.

The list of investments in subsidiaries as of December 31, 2023, and December 31, 2022, is as follows:

		Stake held (%)	
No.	Company Name	December 31, 2023	December 31, 2022
1	(SIF Imobiliare PLC Nicosia)	99.9997	99.9997
2	(SIF SPV Two Bucharest)	99.99	99.99
3	**SAI Muntenia Invest SA Bucharest**	**99.98**	**99.98**
4	(SIF1 IMGB)	99.99	99.92
5	(Napomar SA Cluj-Napoca)	99.43	99.43
6	(SIF Hoteluri SA Oradea)	98.99	98.99
7	(Azuga Turism SA Bucharest)	98.94	98.94
8	**Administrare Imobiliare SA Bucharest**	**97.40**	**97.40**
9	(Silvana SA Cehu Silvaniei)*	-	96.28
10	(IAMU SA Blaj)	96.53	76.70
11	(Vrancart SA Adjud)	76.50	75.50
12	(Central SA Cluj)	-	74.53
13	(Uniteh SA Timișoara)**	36.34	36.34
14	(SIFI CJ Logistic)**	5.53	5.53
15	(Ario SA Bistrița)*	93.64	93.64

*The subsidiaries shown in brackets in the table above were excluded from the consolidation as the effect of the status of investment entity according to IFRS 10. * bankruptcy ** Uniteh SA and SIFI CJ Logistic are subsidiaries because of the direct and indirect control through SIF Imobiliare Plc Nicosia*

Associated Entities

Associated entities are those companies in which the Company can exercise significant influence, but not the control on the financial and operating policies.

The entities in which Lion Capital holds stakes between 20% and 50%, over which exerts significant influence:

		Stake held (%)	
No.	Company Name	December 31, 2023	December 31, 2022
1	Biofarm SA Bucharest	36,75	36,75

Lion Capital has representatives on the Board of Directors of Biofarm, taking part in the policy development of that company. Lion Capital measures associated entities at fair value through profit and loss.

Transactions excluded on consolidation

Settlements and transactions within the Group, and unrealized profits arising from intragroup transactions, are fully eliminated from the consolidated financial statements.

The accounting policies disclosed hereinafter have been consistently used over all the periods presented in the consolidated financial statements. The accounting policies have been consistently applied by all entities within the Group.

2. Presentation of the Entities Within the Group

2.1. Information on the Activity of Lion Capital

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

Main Financial and Operational Information on Lion Capital

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%**

Milestones of Lion Capital Activity in 2023

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.

The strategic allocations by asset classes and within each class are based on assessments of the individual attractiveness of investment opportunities, under the conditions of the macroeconomic and market environment at the time.

Investments are made over a certain period, under regulated prudential conditions, under adequate monitoring and control of risks, in order to ensure a constant balance between risk and expected return. The investment decision-making process is formalized through internal procedures and competency levels approved by the company's Board of Directors.

Lion Capital has under management a diversified portfolio, consisting of the following main categories of financial instruments: shares, bonds, and fund units. The company applies an exit strategy adapted to the specifics of each investment, defined based on the applied strategy, the investment objectives, the conditions of the exit transaction.

The execution of various exit strategies is adapted and correlated with a series of internal and external factors, such as: general economic outlook, course of financial markets, liquidity of listed equity securities and daily trading volumes, small business regionality, access barriers depending on the shareholders’ structure, Company’s needs for liquidity.

Lines of action for the portfolio management:

- establishment of a diverse portfolio of assets apt to reach the targeted returns at the decided risk level
- improving portfolio quality, as basis for its growth and capacity to constantly generate revenues
- portfolio management and development to adapt to the overall risk profile
- development of specific areas of expertise that form the basis of operations
- improvement of corporate governance practices

Lion Capital has under management a diversified portfolio, and the financial instruments in which it invests are mainly shares, fixed income financial instruments and fund units.

In the investment process, Lion Capital acknowledges that global sustainability challenges, including climate change, resource scarcity and human rights are of critical importance and need to be addressed. In this regard, to provide long-term value to the investments made, Lion Capital analyses the sustainability risk of issuers regarding the criteria applied to determine whether an economic activity qualifies as sustainable and contributes substantially to one or more among the sustainability objectives.

Lion Capital does not currently consider the potential negative effects of investment decisions on sustainability factors, as described in this process in EU Regulation 2088/2019, but continuously analyses and evaluates issuers in the portfolio on ESG criteria, based on available ESG scores and their non-financial reports.

Information on the objectives and investment policy, as well as the description of the types of assets in which Lion Capital can invest as an Alternative Investment Fund addressed to Retail Investors (AIFRI; in Romanian: FIAIR) are presented in detail in the fund's operating documents, available for consultation. on the company's website, at www.lion-capital.ro, in the section *Corporate Governance • AIFRI.*

As of December 31, 2023, Lion Capital's net asset value (VAN) amounted to **RON 4.095.059.742 lei**[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 8,047** as of December 31, 2023 (31.12.2022: RON 6.3817 /share).

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.

Starting with July 1, 2021, the date of authorization of SIF Banat-Crișana (currently Lion capital) as an alternative investment fund addressed to retail investors, the calculation of the net asset value 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. From this date, 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.

Throughout 2023, the valuations of assets for NAV calculation were performed in accordance with the provisions of the regulations issued by the Financial Supervisory Authority, complying with the provisions of ASF Regulation no. 10/2015 and ASF Regulation 9/2014 (art. 113 – 122), with subsequent amendments and completions.

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.*

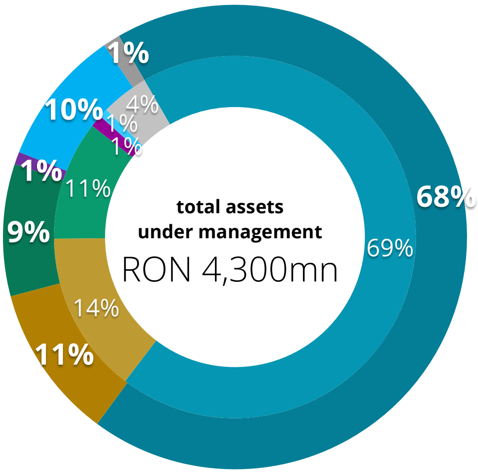
The investment limits and restrictions incidental to the operations carried out by Lion Capital during 2023 complied with the legal provisions incidental to the quality of Closed, Diversified Alternative Investment Fund addressed to retail investors and no violations of these limits were recorded.

The management has established procedures for the internal risk management to identify, monitor and cover the risks associated with the investments made by the Company. The management regularly reviews the compliance with the prudential limits and investment restrictions, so that in the event of unintentional breaches of applicable investment restrictions due to changes in stock market quotations or other circumstances, the management is able to take immediate remedial action.

[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.

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

Detailed information on Lion Capital's activity in 2023, the statement of assets and liabilities and the detailed statement on investments as of December 31, 2023, the management of risks the Company is exposed to, corporate governance matters, are presented in the Annual Report for 2023, that includes the Separate Financial Statements as of 31.12.2023, prepared as per IFRS, available on the Company's website at www.lion-capital.ro.

2.2. Information on the Entities in the Scope of Consolidation

SAI MUNTENIA INVEST SA Bucharest

Lion Capital's stake as of 31.12.2023: 99.98%

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.

Administrare Imobiliare SA Bucharest

Lion Capital's stake as of 31.12.2023: 97.40 %

Administrare Imobiliare SA was established in 2007 under the name "Dacia Meridian Expres", having a portfolio of assets with which SIF Banat-Crișana (at present Lion Capital) withdrew its contribution from various trading companies located in the counties of Arad and Bihor, namely: Aris SA Arad (in 2007), Amet SA Arad (in 2012), and Argus SA Salonta (in 2010).

In 2013, the company changed its corporate name to Administrare Imobiliare SA ("AISA") and its headquarters was moved to Bucharest and in the same year the company is incorporated into the holding SIF Imobiliare Plc., which holds a stake of 98.9% of AISA share capital.

The main activity of AISA is the business and management consulting activity, providing investment management services to all the companies within SIFI group: investment management, investment opportunities consultancy, management, and administrative consultancy services.

As per its Articles of Incorporation, besides its main activity, AISA could provide other secondary activities, such as: 4110 real estate development (promotion), 6810 purchase and sale of own real estate properties, 6820 - Renting and sub-renting own or rented real estate properties.

In December 2018, as an investment opportunity in the real estate field emerged, a capital increase of AISA was operated, with cash contribution, to capitalize the company and to attract financing sources to capitalize on opportunities appeared on the real estate market. SIF Banat-Crișana is co-opted as shareholder, the cash contribution being of RON 40.12m. Following this transaction, SIF Banat-Crișana becomes a shareholder with a stake of 97.4% in the share capital of AISA while the stake of SIF Imobiliare Plc decreases to 2.6%.

The investment projects intended by AISA at the time of the share capital increase were completed during 2019 and materialized in the purchase of a building and the related land located in Bucharest, 46-48 Serghei Vasilievici Rahmaninov Str., Sector 2, and a land of 30,447 sqm (with 17,646 sqm of constructions) located in Bucharest, 59 Șos. Vergului, Sector 2.

2.3. Outlook on the Activity

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

3. Summary of Consolidated Financial Data for the Group as of December 31, 2023

The consolidated financial statements as of December 31, 2023, enclosed, were prepared pursuant to ASF Norm no. 39/2015 approving Accounting Regulations applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority (ASF) in the Sector of Financial and Investment Instruments.

3.1. Bases of presentation of consolidated statements

The Group has adopted a presentation based on liquidity in the consolidated statement of financial position and a presentation of revenues and expenses by their nature in the consolidated statement of comprehensive income, considering these methods of presentation provide information that is credible and more relevant than that which would have been presented based on other methods permitted by IAS 1 “Presentation of Financial Statements”.

The consolidated financial statements are prepared based on convention of fair value for the financial assets and liabilities at fair value through profit and loss and financial assets at fair value through other comprehensive income, tangible assets (property, plant, and equipment) such as land and construction and investment property.

The consolidated financial statements have been prepared using the business continuity principle, which assumes that the parent company, its subsidiaries, and companies in its portfolio will have their assets available and meet their obligations in the course of their business.

The parent company has applied the amendments to IFRS 10 on investment entities, starting with the financial year 2018. The parent company measures all its subsidiaries at fair value through profit and loss, except for subsidiaries that provide investment-related services, which will be consolidated.

3.2. Consolidated Statement of Profit and Loss and Other Comprehensive Income

(extract from the accompanying consolidated financial statements)

in RON	December 31, 2023	December 31, 2022
Revenues		
Dividend income	121,915,413	148,191,611
Interest income (assets at amortized cost, assets at FVTOCI)	7,941,984	4,878,640
Interest income (assets at FVTPL)	9,700,808	6,034,034
Other operating revenues	53,293,677	32,102,805
Gain/(Loss) on investment		
Gain / Loss) on investment property	15,533,768	352,346
Gain / Loss) on foreign exchange	1,347,864	88,916
Gain / Loss) on financial assets at FVTPL	294,280,842	(47,405,752)
Expenses		
Reversals / (set-up) of provisions for risks and expenses	(891,602)	(251,801)
Reversals / (set-up) of adjustments for impairment of current assets	(115,981)	376,857
Interest expenses	(210,369)	(434,623)
Commissions expenses	(5,068,294)	(4,350,043)
Other operating expenses	(39,056,909)	(35,410,450)
Profit before tax	**459,671,201**	**104,172,540**
Income tax	(26,771,572)	(10,630,283)
Net profit for the financial year	**432,899,629**	**93,542,257**

Profit is attributable to:		
Parent company	432,815,498	93,539,352
Non-controlling interests	84,131	2,905
Total profit for the financial year	**432,899,629**	**93,542,257**
Other comprehensive income	**432,723,237**	**(246,365,870)**
Total comprehensive income for the period	**865,622,866**	**(152,823,613)**

In structure, the Group's **total revenues** in 2023 stem from dividends received from the parent company's shareholdings, as well as income generated by subsidiaries from investment management activities (management fees). The increase compared to the previous year is primarily influenced by the growth in performance fees (included within other operating income).

The movement in the **Gain/(Loss) on investment** compared to the previous year is attributable to positive fair value differences related to assets measured at fair value through profit or loss (shares in deconsolidated subsidiaries, shares in associated entities, holdings in investment units, and corporate bonds). The main contributors to favourable fair value differences were holdings in listed subsidiaries and associated entities, whereas in 2022 they represented the main source of investment loss reported by the parent company.

Expenses encompass the total operational expenses (compensation, commissions, etc.) incurred from the Group's investment management activities. The breakdown and details thereof are presented in the specific notes accompanying the consolidated financial statements in this report.

The category of **Other comprehensive income** includes both gains from transactions recognized directly in equity (retained earnings) and the fair value measurement effect of the financial securities portfolio held by the Group. The variations in fair value of financial assets are primarily attributable to the parent company. The favourable movement in this component compared to the previous year is the result of significant decreases in fair values of financial assets at fair value through other comprehensive income quoted on the stock exchange, primarily from issuers with financial profiles.

3.3. Consolidated Statement of Financial Position

(extract from the accompanying consolidated financial statements)

In RON	December 31, 2023	December 31, 2022
Assets	417,878,500	38,538,814
Cash and cash equivalents	19,674,562	30,786,239
Other financial assets	37,869,832	16,079,974
Other assets	442,330	456,795
Assets held for sale	64,940,084	46,792,387
Financial assets at fair value through profit and loss	1,920,410,142	1,742,399,219
Financial assets at fair value through other comprehensive income (shares)	1,826,159,366	1,486,550,751
Investment property	33,745,945	31,210,877
Tangible assets	6,216,225	6,695,240
Total Assets	**4,327,336,986**	**3,399,510,296**
Liabilities		
Payable dividends	9,886,856	10,042,310
Other financial liabilities	17,386,795	46,700,851
Other liabilities and deferred income	64,954,572	251,757
Loans	-	16,311,778
Debt related to leasing	-	5,250
Provisions for risks and expenses	3,732,599	2,840,997
Deferred income tax liabilities	181,027,745	137,029,193
Total Liabilities	**276,988,567**	**213,182,136**
Equity		
Share Capital	50,751,007	50,751,006
Treasury shares	(2,494,800)	-
Losses on the repurchase of own shares	(31,973)	-
Benefits granted in equity instruments	2,159,850	2,000,537
Other reserves	1,699,567,035	1,604,099,887
Reserves from revaluation of tangible assets	1,176,569	1,176,569
Legal reserves	11,106,413	10,410,602
Reserves from revaluation of financial assets at FVTOCI	1,002,509,286	662,131,924
Retained earnings	1,284,040,414	855,737,756
Total	**4,048,783,801**	**3,186,308,281**
Non-controlling interests	1,564,619	19,879
Total Equity	**4,050,348,420**	**3,186,328,160**
Total Equity and Liabilities	**4,327,336,987**	**3,399,510,296**

Significant changes in asset elements compared to the previous year are due to structural changes in the parent company's assets, as a result of:

- Recognition of positive fair value differences related to:

  - *Financial assets at fair value through profit and loss* (affecting equity within the *Retained earnings* position) and those related to

- *Financial assets at fair value through other comprehensive income* (affecting equity within *Reserves from the revaluation of financial assets designated at fair value through other comprehensive income*) respectively within liabilities in the category of *Deferred tax liabilities* (which includes the adjustment of liabilities due to the reduction of the taxable component of reserves from fair value revaluation).

3.4. Presentation on Segments

In 2023 and 2022, the Group operated on a single segment, namely the financial activity.

Within the financial activity, the activity of three companies was included (2022: 3).

4. Description of Main Risks for the Group

The most significant financial risks the Group is exposed to are the credit risk, liquidity risk and market risk. Market risk includes currency risk, interest rate risk and the price risk of equity instruments.

The Group uses a variety of policies and procedures for managing and evaluating the types of risk to which it is exposed, both at the parent company and subsidiary levels. These policies and procedures are detailed in the sub-chapters dedicated to each type of risk under *Note 5* of the attached Consolidated Financial Statements for 2023.

4.1. Financial Risks

Market Risk

Market risk is the risk that changes in market prices, such as stock prices, interest rates and exchange rates to have impact on Group's revenues or the value of financial instruments held. Market risk of (own) equity instruments represent the risk that the value of such instrument to vary following the changes of prices on the market, either due to factors specific to the issuer's activity or factors affecting all instruments traded on the market.

The market risk of equity instruments results predominantly from the shares available for sale. The entities in which the Group holds shares operate in various industries. The objective of market risk management is to control and manage market risk exposures within acceptable parameters, to the extent of optimizing profitability. The Group's market risk management strategy is driven by its investment objective, and the market risk is managed in accordance with its policies and procedures.

The Group is exposed to the following market risk categories:

Price risk is the risk of losses on balance sheet positions due to asset price changes.

The Group is exposed to the risk that the fair value of the financial instruments held may fluctuate following the changes in market prices, whether due to factors specific to the issuer's activity or factors impacting all instruments traded on the market.

The Board of directors monitors how market risk management is carried out, and internal procedures provide that, when price risks are not in line with the Group's investment policy and principles, the portfolio must be rebalanced.

A positive 10% change in the price of financial assets at fair value through profit or loss (shares in subsidiaries, associates, corporate bonds, and fund units) would lead to a profit increase after tax, by RON 179,853,492 (December 31, 2022: RON 154,224,584), a negative variation of 10% having an equal net impact of the opposite sign.

A positive 10% change in fair value prices of other financial assets at fair value through other comprehensive income, investments in shares and corporate bonds, would lead to an increase in equity, net of profit tax, of RON 157,977,004 (December 31, 2022: RON 125,507,709), a negative variation of 10% having an equal net impact of the opposite sign.

Interest rate risk is the risk that the Group's revenues or expenses, or the value of the Group's assets or liabilities fluctuate following the changes in market interest rates.

Regarding the Group's interest-bearing financial instruments: interest rate risk consists of the risk of fluctuations in the value of a particular financial instrument due to changes in interest rates and the risk of differences between the maturity of interest-bearing financial assets and that of interest-bearing debt. However, interest rate risk can also affect the value of fixed interest-bearing assets (for example, bonds), so an increase in the market interest rate will lead to a decrease in 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 rates have risen, and vice versa - a reduction in the market interest rate may increase the price of shares and bonds and would increase the fair value of future cash flows.

The Group does not use derivative financial instruments for hedging against interest rate fluctuations.

Impact on the Group's net profit (on the back of income/expenses with/on interest) of a change of ±1.00% in the interest rate on variable-yield assets and liabilities denominated in other currencies corroborated by a change of ±1.00% in the interest rate on assets and liabilities carrying liabilities variable interest rate and denominated in RON is of RON 2,353,263 (December 31, 2022; RON 1,656,082).

For the bonds recorded at fair value (level 1) held, a change of +/- 5% of their market price determines a net impact in the amount of +/- RON 1,410,461 (December 31, 2022: +/- RON 1,579,716) in the profit and loss account respectively in the amount of +/- RON 0 (December 31, 2022: +/- RON 0) in other comprehensive income.

Currency risk is the risk of loss or not achieving the expected profit due to unfavourable fluctuations in the exchange rate. The Group invests in financial instruments and performs transactions denominated in currencies other than its functional currency and is thus exposed to the risk that the exchange rate of the domestic currency in relation to another currency will have adverse effects on fair value or future cash flows of that portion of the financial assets and liabilities denominated in another currency.

The Group's assets and liabilities denominated in the Romanian currency (Leu or RON) and in foreign currencies as of December 31, 2023, and December 31, 2022, are presented below:

in RON	2023	2022
Cash and cash equivalents	204,466,193	19,805,929
Bank deposits	-	3,968,576
Financial assets at fair value through profit and loss	75,082,478	145,226,312
Financial assets at fair value through other comprehensive income	-	147,927,260
TOTAL	**279,548,671**	**316,928,078**
Loans	-	(1,154,778)
Debt related to leasing contracts	-	(5,250)
Total Liabilities	**-**	**(1,160,028)**
Net Financial Assets	**279,548,671**	**315,768,050**

Credit Risk

Credit risk is the risk that a counterparty of a financial instrument fails to meet an obligation or financial engagement in which it has entered into a relationship with the Group, thus resulting in a loss for the Group.

The Group is exposed to credit risk as a result of investments in bonds issued by trading companies, of current accounts and bank deposits, and other receivables.

The management of the Group closely and consistently monitors the exposure to credit risk so that it does not suffer losses because of the concentration of credit in a particular sector or business.

Below we present the financial assets with exposure to credit risk:

December 31, 2023	Current bank accounts	Bank accounts	Loan granted (FVTPL)	Corporate bonds (FVTPL)	Other financial assets	Total
Rating AAA to A-						
BBB+	397,284	47,757,062				48,154,346
BBB	1,230,468	-				1,230,468
BBB-	24,676	206,768,052				206,792,728
BB+	14,306,255	165,500,000				13,581,010
BB	-					-
BB-	50,964	-				50,964
Baa1	66,206					66,206
NR	89,706		52,034,667	38,185,926	37,869,832	128,180,131
TOTAL	**16,165,558**	**420,025,114**	**52,034,667**	**38,185,926**	**37,869,832**	**564,281,097**

Liquidity risk is the risk that the Group encounters difficulties in meeting the obligations arising from short-term financial liabilities that fall due by cash or other financial means, or that such obligations are extinguished in an unfavourable manner for the Group.

The Group monitors the evolution of the liquidity level in order to be able to pay its obligations at the date when they become due and continuously analyses the assets and liabilities, depending on the remaining period up to the contractual maturities.

The structure of assets and liabilities was analysed based on the remaining period from the balance sheet date to the contractual maturity date as of December 31, 2022, and is presented in the table below:

in RON	Accounting value	Under 3 months	Between 3 and 12 months	Over 1 year	Without pre-established maturity
December 31, 2023					
Financial Assets					
Cash and cash equivalents	**417,878,500**	417,878,500	-	-	-
Bank deposits	**19,674,562**	19,674,562		-	-
Financial assets FVTPL	**1,920,410,142**	573,630	52,034,667	37,612,296	1,830,189,549
Financial assets FVTOCI	**1,826,159,366**				1,826,159,366
Other financial assets	**39,345,642**	39,345,642	-	-	-
Total Financial Assets	**4,223,468,212**	**477,472,334**	**52,034,667**	**37,612,296**	**3,656,348,915**
Financial Liabilities					
Payable dividends	**9,886,856**	9,886,856	-	-	-
Other financial liabilities	**17,386,795**	17,386,795	-	-	-
Total Financial Liabilities	**27,273,651**	**27,273,651**	**-**	**-**	**-**
Liquidity Excess	**4,196,194,561**	**450,198,683**	**52,034,667**	**37,612,296**	**3,656,348,915**

Other risks

By the nature of its activity, the Group is exposed to various types of risks associated with the financial instruments and the market it invests. The main types of risks to which the Group is exposed are:
- taxation risk;
- business environment risk;
- operational risk.

Risk management aims to maximize the Group's profit relative to the level of risk to which it is exposed.

The Group 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 presented in the subchapter dedicated to each type of risk.

Taxation risks

Since January 1, 2007, following the accession of Romania to the European Union, the Group has had to comply with the European Union's regulations and, as a result, has prepared itself to apply the changes brought about by European legislation. The group has implemented these changes, but their implementation remains open to fiscal audit for 5 years.

The interpretation of the texts and the practical implementation of the procedures of the new applicable tax regulations may vary and there is a risk that in certain situations the tax authorities will adopt a different position from that of the Group.

From the corporate tax point of view, there is a risk that the tax authorities will interpret the accounting treatment that is determined by the transition to IFRS as a basis for accounting.

In addition, the Romanian Government has various agencies authorized to carry out the audit (control) of companies operating in Romania. These controls are similar to tax audits in other countries and can cover not only tax issues but also other legal and regulatory issues of interest to these agencies. The Group may be subject to tax controls as new tax regulations are issued.

Business environment risks

The management of the Group cannot predict all the effects of the international economic developments impacting on the financial sector in Romania but considers that during 2023 has adopted the necessary measures for the sustainability and development of the Company under the conditions existing on the financial market, by monitoring cash flows and suiting the investment policies.

Avoiding risks and mitigating their effects are ensured by the Group through an investment policy that complies with the prudential rules imposed by the applicable legal provisions and regulations.

The Group has adopted risk management policies that actively manage them, applying specific procedures for identifying, assessing, measuring, and controlling risks, providing reasonable assurance as to the achievement of the Group's objectives, pursuing a constant balance between risk and expected return.

The risk management process aims at: (i) identifying and assessing significant risks having a major impact in achieving the investment objective and developing activities to counteract the identified risk; (ii) adapting risk management policies to the financial developments of the capital market, monitoring performance, and improving risk management procedures; (iii) reviewing investment decisions in relation to the course of the capital and money market; (iv) compliance with applicable law.

Operational Risk

Operational risk is the risk of incurring direct or indirect losses resulting from shortfalls or deficiencies in the Group's procedures, personnel, internal systems, or external events that may impact on its operations. Operational risks arise from all Group activities.

The Group's objective is to manage operational risk to limit its financial losses, not to damage its reputation and to achieve its investment objective to generate benefits for investors.

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

Capital Adequacy

The management's policy on capital adequacy focuses on maintaining a solid capital base to support the Group's continued development and achieving investment objectives.

The Group's equity includes its share capital, various types of reserves and retained earnings. The equity amounted to RON 4,050,348,420 as of December 31, 2023 (3,186,328,160 as of December 31, 2022).

5. The Market of the Securities Issued by the Group

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.

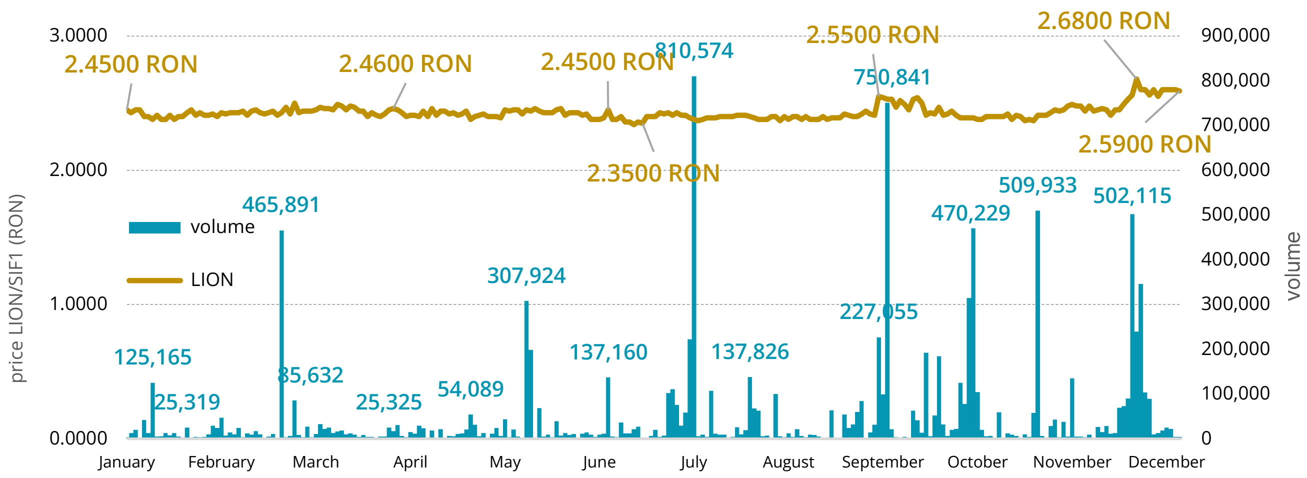
Romanian legislation provides certain restrictions on the acquisition of shares issued by the Company, as follows:

- 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.

LION (SIF1) PRICE AND VOLUME IN 2023



highlighted values were recorded at the closing of trading day

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 two subsidiaries included in the consolidation are not listed on an organized capital market or an alternative trading system.

6. Corporate Governance

Lion Capital is committed to upholding and developing the best practices of corporate governance, thus ensuring an efficient decision-making process, leading to the long-term viability of the business, achieving the objectives of the company, and creating sustainable value for all stakeholders (shareholders, management, employees, partners, and authorities). To maintain its competitiveness in an extremely dynamic climate, Lion Capital develops and adapts its corporate governance practices so that it can comply with the new requirements and take advantage of the new opportunities, policies promoted at group level.

Lion Capital has adhered to the Corporate Governance Code of the Bucharest Stock Exchange ("the Code"), the degree of compliance with the principles of the Code being presented in the statement accompanying the 2023 Annual Report, a document that will be published on the website of Company, www.lion-capital.ro.

By Regulation no. 2/2016, with subsequent amendments and completions, the Financial Supervision Authority (ASF) regulated the unitary normative framework for the application of the principles of corporate governance to the entities authorized, regulated, and supervised by ASF. Lion Capital's Statement on the application of the principles of corporate governance in 2023, accompanies the 2023 Annual Report published by Lion Capital.

Detailed information on the corporate governance of Lion Capital in 2023 and the corporate governance statements are presented in the 2023 Annual Report, available on the Company's website, at www.lion-capital.ro.

Lion Capital's subsidiaries, in the scope of consolidation, apply principles and policies of internal governance similar to those of the parent company.

Lion Capital's Leadership

Pursuant to its Articles of Association, Lion Capital is governed under a unitary system, capable of ensuring an efficient operation of the Company, in accordance with the objectives of good corporate governance and the protection of the shareholder's legitimate interests.

The General Meeting of Shareholders (GMS)

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

General meetings are ordinary and extraordinary. The Ordinary General Meeting gathers at least once a year, no later than four months after the close of the financial year. The Extraordinary General Meeting shall be convened whenever necessary. The powers of the general meeting of shareholders are stated in the Articles of Association and comply with the legal provisions in force. Company's Articles of Association updated are available on company's website, www.lion-capital.ro, in the *Corporate Governance* section.

General Meeting's decisions are taken by show of hands or by secret vote. The secret vote is compulsory for electing Board members and for the appointment of the financial auditor and to revoke them, and also for decisions on the liability of the Board members. The decisions taken by the general meeting complying with the law and Company's Articles of Association shall be binding upon the shareholders who did not attend the meeting or voted against.

The general meeting of shareholders is chaired by the Chairman of the Board of the Directors and in his absence by the vice-chairman. The meetings are recorded by the secretariat elected by the General Meeting. Minutes of the meeting shall be recorded in a special register.

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 adopted resolutions are presented on Company's website, www.lion-capital.ro, in the section *Investor Relations • General Shareholders' Meetings*

The Board of Directors

Lion Capital is under the management of a Board of Directors (i.e. administrators) comprised of five members, elected by the ordinary general meeting of shareholders for a mandate (term of office) of four years, with the possibility of being re-elected.

The Board of Directors has decision-making powers regarding the administration of the Company in the period between the general meetings of shareholders, except for the decisions that the law or company's Articles of Association provide exclusively for the general meeting.

The board of directors elects from its members a Chairman and a Vice-Chairman. As per the Articles of Association, the Chairman also holds the position of Chief Executive Officer of the Company.

Board members must cumulatively meet the general conditions stipulated by Law no. 31/1990 on trading companies, completed with the criteria established by Law no. 74/2015, Law no. 24/2017, and the regulations issued by the Financial Supervisory Authority (ASF).

The members of the Board are authorized in this function by ASF following their election by the general meeting of shareholders.

As of December 31, 2023, the composition of the Board of Directors was the following: Mr. Bogdan Alexandru DRĂGOI – Chairman, Mr. Radu Răzvan STRĂUȚ - Vice Chairman, Mr. Sorin MARICA - Member, Mr. Marcel Heinz PFISTER – member and Mr. Ionel Marian CIUCIOI - member.

Advisory Committees within the Board of Directors

The Audit Committee - assists the Board of Directors in fulfilling its responsibilities in the financial reporting, internal control, and risk management areas, assists the Board of Directors in monitoring the trustworthiness and integrity of financial information provided by the Company, in particular by reviewing the relevance and consistency of the accounting standards applied by the Company. The duties of the Audit Committee are detailed in the Company's Internal Regulations.

The Audit Committee consists 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 shall have competence in accounting or auditing.

During 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 Nomination and Remuneration Committee (NRC) - assists the Board in fulfilling its responsibilities for the nomination of candidates for management positions and their remuneration. NRC duties are detailed within the Company's Internal Regulations.

The Nomination and Remuneration Committee is comprised of at least at least two members elected from the non-executive members of the Board of Directors, subject to the condition of independence provided for by the Company Law.

Throughout 2023, the composition of the Committee was the following: Mr. Sorin MARICA – Chairman of the Audit Committee, Mr. Marcel PFISTER – member and Mr. Ionel Marian CIUCIOI – member.

The Executive Management

The effective management of the Company is performed by Executive Directors appointed by the Board of Directors, in accordance with the Company's bylaws and applicable regulations so that everyday management of the Company to be provided, at any given time, by at least two persons. The Executive Directors must meet the conditions set by the regulations issued by the Financial Supervisory Authority applicable to the Company and are endorsed in this position by the Authority.

As per the provisions of Law no. 31/1990 on trading companies, the Board of Directors has 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. On April 25, 2021, management was delegated to the Chairman - CEO and the Vice-Chairman - Deputy CEO, these persons holding the right to legally represent the company in accordance with the provisions of the Articles of Association. On February 24, 2022, the Board of Directors delegated the management of the company to the Deputy General Director and Director. Prior to this date, these two directors were employees of the company. As of October 1, 2023, the mandate of deputy general director held by Mrs. Teodora Sferdian ended, by agreement of the parties. On November 15, 2023, the Board of Directors appointed Mr. Florin-Daniel Gavrila as director, the duties to be exercised after the issuance of the approval decision by the Financial Supervisory Authority. On December 29, 2023, by ASF decision no. 163, Mr. Laurentiu Riviș was authorized as Director.

Responsibilities and duties of directors are set by the Board of Directors and are described in the Company's Internal Regulations and Corporate Governance Regulation, documents published on Company’s website.

As of December 31, 2023, the composition of the executive team of Lion Capital was the following: Bogdan-Alexandru Drăgoi – Chairman – CEO, Radu Răzvan Străuţ – Vice-Chairman, Deputy CEO, and Laurențiu Riviș - Director.

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

Risk management • Lion Capital establishes and permanently and operatively maintains the function of risk management, which is carried out independently of other activities. The Risk Management Office is subordinated to the Board of Directors, and the person responsible for risk management is authorized by ASF in this position and is registered in the ASF register.

The diversity of the activities Lion Capital carries out also creates complex risks as well as a multitude of opportunities for its shareholders, but also for the entire financial and capital market in Romania. The Company's management considers risk management to be an integral part of good governance and best management practices.

The Company has implemented appropriate and modern risk management systems to properly identify, assess, manage, and monitor all risks relevant to the existing investment strategy and investment portfolio.

The risk management policies and procedures are appropriate to the nature, size and complexity of the Company’s activities and the assets under the management.

The performance of the risk management function is periodically reviewed by the internal and external audit function.

Compliance verification function • Lion Capital established and permanently and operatively maintains the compliance control function, which runs independently of other activities. The Compliance Office reports to the Board of Directors and has the following main responsibilities: (i) monitoring and regularly assessing the effectiveness and the means of implementation of the set measures and procedures, as well as measures decided to resolve any situations of non-compliance by the Company; (ii) advising and assisting the relevant responsible persons for carrying out services and activities to meet the requirements set for the Company under the law and ASF regulations.

The person holding the position of compliance officer / representative of the compliance office is authorized in this position by the ASF and is registered in the ASF register.

Resolution of petitions • The shareholders have the right to address Lion Capital by means of a petition should they have complaints regarding the company's activities, performed under the legislation in force, or regarding the information provided by the company following their request. The settlement of petitions submitted by shareholders is set by ASF Regulation no. 9/2015, and the procedure to be followed is published company's website. As per the provisions of the regulation, the Company prepared a unique register of petitions in a secure electronic format, to record the submitted petitions, questions addressed and their solution. The register of petitions is managed by the compliance officer.

Internal Audit • Lion Capital establishes and permanently and operatively maintains the internal audit function that is carried out independently of other functions and activities, being subordinated to the Board of Directors.

The Company's activities are subject to regular internal audit, in order to provide an independent assessment of its operations, control and management processes, assess the possible exposure to various business segments (asset security, compliance with regulations and contracts, integrity of operational and financial information, etc.), makes recommendations for the improvement of systems, controls and procedures, to ensure the efficiency and effectiveness of operations and monitors the proposed corrective actions and the results achieved.

The internal audit activity is an independent and objective activity that gives the company an assurance regarding the degree of control over the operations and is carried out according to the procedures prepared for the purpose of carrying out the activity. A detailed program shall be drawn up for each internal audit engagement, covering the scope, objectives, resources allocated and the period to be performed.

The internal audit aims to assist the company in identifying and assessing significant risks to provide an independent assessment of risk management, control, and management processes and to assist the company in maintaining an efficient and effective control system.

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

Observance of Shareholders' Rights

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

Lion Capital provides an equitable treatment for all shareholders, including the minority and non-resident shareholders, pursuant to legal provisions and those of Company's Articles of Association.

Lion Capital endeavours to ensure an impartial treatment for all shareholders, providing them with relevant and up-to-date information enabling them to exercise their rights of a fair manner. Shareholders should exercise their rights in good faith and with respect for the rights and interests of the Company and other shareholders.

The right to vote • Lion Capital endeavours to facilitate the participation of shareholders at the general meetings of shareholders ("GMS"). SIF Banat-Crișana's shareholders can participate in the GSM directly, by designating a representative by a special/general empowerment or can vote by correspondence (through the post or by electronic voting).

The Board approves procedures for the orderly and efficient organization of GMS works, pursuant to the incident laws and ASF regulations. The procedures are made available to the shareholders at the date of convening the meetings, being posted on Company's website.

In accordance with Art. 272 par. (1) section a) and par. (6) of Law no. 126/2018 on the markets of financial instruments, the voting rights related to holdings in a regulated entity (such is Lion Capital) are suspended by law if the acquisition or, as the case may be, increase of a participation was carried out without fulfilling the criteria of ASF regulations on the rules of procedure and the criteria for the prudential assessment of acquisitions by the regulated entity concerned.

Right to dividend • The dividend policy embraced by Lion Capital aims at keeping a balance between the shareholders' remuneration through dividend and the need to finance new investment of the reinvested profits obtained. The strategy of keeping this balance aims to increase the long-term investment attractiveness of Lion Capital shares, while maintaining the potential for the future development of the company, ensuring the long-term sustainable profitability of the business for the benefit of increasing the value created for shareholders.

Determining the manner and proportion of the distribution of net profit is subject to the approval of the General Meeting of Shareholders and considers the sustainability of the measure, the economic context, and the current market performance.

Right to information • Lion Capital attaches great importance to investor relations and transparency in communication, convinced that public trust is essential for the proper functioning of the company and the consolidation of its good reputation. The company aims to ensure continuous and regular reporting in an objective and comprehensive manner, by providing complete and accurate information on all important aspects of the business and the results recorded. The Company's website (www.lion-capital.ro) is a useful platform for communicating with shareholders. In the section dedicated to Investor Relations, information of interest to shareholders is hosted and all the communiqués and reports related to the company's activity are available, published in both Romanian and English.

The organizational structure providing the relationship with shareholders, potential investors, analysts, mass-media, and the interested public is the Investor Relations Compartment. Contact details: 35A Calea Victoriei, Arad 310158, Romania, tel • fax: +40257 304 446, email: investitori@lion-capital.ro, person of contact Mr. Claudiu Horeanu.

Financial reporting • Lion Capital's financial statements for the year 2023 have been prepared in accordance with International Financial Reporting Standards and ASF Rule no. 39/2015, applied together with the Accounting Law no. 82/1991 (republished and amended). The financial auditor is Deloitte Audit S.R.L.

Conflicts of Interest and transactions involving related parties

Conflict 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 Capitals 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 that must be followed within Lion Capital aim to ensure the degree of independence necessary for the prevention and management of conflicts of interest.

Transactions of persons having access to privileged information (transactions of insiders) • By the internal procedures it is prohibited that the members of the board of directors, the directors of the company, as well as by any person with whom the Company has concluded an employment contract to use “inside information” related to the investment policy of Lion Capital, when they perform transactions with financial instruments in their own portfolio (“personal transactions”).

The company has established internal rules and procedures for personal transactions. Any personal transaction carried out by a person with access to inside information shall be notified in advance to the Compliance Office of the company to verify its compliance with the requirements regarding the avoidance of conflicts of interest. Transactions performed are notified to the Compliance Office, to be recorded in the personal transaction log, a register managed by the compliance officer.

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, immediately, in relation to the privileged information that concerns it directly. The postponement of the public disclosure of a privileged information is done only under the conditions specified by the applicable legislation, provided that the confidentiality of the said information is ensured.

In application of the provisions of national and European regulations, respectively ASF Regulation no. 5/2018, Regulation (EU) 596/2014, Commission Implementing Regulation (EU) 2022/1210, and Regulation (EU) 347/2016, the company establishes and permanently updates the list of persons who have access to privileged information regarding the Company. The list of persons with access to privileged information regarding Lion Capital is communicated to the Financial Supervision Authority upon its request.

Market Abuse • In 2023, Lion Capital paid special attention to the set of European regulations on Market Abuse. The provisions on the establishment of a closed period of 30 days before the publication of a financial report, during which the transactions with financial instruments of the issuer for persons with access to inside information are prohibited, were observed.

Social Responsibility, Social Matters, Diversity

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.

The Lion Capital Group does not have a formalized integrated procedure on diversity policy.

However, at the group level there is a commitment to maintaining the highest ethical standards, promoting a culture of respect, collaboration, and performance where all employees can perform and develop on equal terms in terms of gender, ethnicity, age, etc. The individual needs and abilities of employees to transform them into added value for the organization at the level of human capital are promoted and encouraged.

Assessment of matters concerning the employees

The essential social objective of the group consists in establishing a positive organizational culture, aiming at providing good working conditions for employees, pay and motivating motivation systems, correct systems and evaluation criteria, efficient information and control systems, full use and efficient of working hours, availability for change, commitment, good communication.

The evolution of the Group's number of employees is presented in the table below:

Company Name	Average number of employees			
	2020	2021	2022	2023
Lion Capital	34	33	32	32
SAI Muntenia Invest	36	31	33	28
Administrare Imobiliare	5	6	5	6
TOTAL	**75**	**70**	**70**	**66**

Throughout 2023 there were no conflicting matters in the relations between management and employees, neither in Lion Capital nor in the companies in the consolidation.

During 2022, no collective layoffs occurred, neither in the case of Lion Capital, nor in the case of the companies in the scope of consolidation.

All companies in the consolidation have organizational and operational regulations approved by the Boards of Directors, describing how they are organized and regulating the operation of their compartments, setting competences for each compartment, their duties, and responsibilities.

Assessment of matters concerning the environment

The Lion Capital Group does not have an *Integrated Environmental and Social Governance Policy* or *Procedure,* but covers the relevant aspects in this area in various corporate documents applicable to each company, specific to their work.

The Group is committed to the responsible management of environmental issues, choosing that in the processes related to the current activity to efficiently manage the resources, thus ensuring that the environment is protected in all aspects of the day-to-day administrative activity.

Thus, the companies in the Group are engaged in responsible management of the waste generated both by the activity of employees and by the daily operations carried out at the headquarters of the companies in the group. Among the residual materials are paper, plastic, electrical and electronic equipment waste, batteries and accumulators, lighting devices, printer cartridges and household waste. Used batteries and accumulators, printer cartridges and end-of-life electrical and electronic equipment, if not managed properly, can have negative effects on the environment and human health, so we strive to continuously modernize all processes in the company's activity, in particular by reducing consumption of resources and reducing the volume of waste produced and through their selective and efficient collection.

The importance of saving energy, reducing the consumption of electricity and methane gas was a priority to minimize the impact on the environment and control operational costs.

At the same time, a series of resource-saving measures were implemented. These include opting for electronic communication instead of paper and digitizing operations. The use of electronic equipment with low energy consumption and compliance with ergonomics and environmental protection standards is also aimed at.

Both Lion Capital and the companies in the group - SAI Muntenia Invest SA and Administration Imobiliare SA - do not need special environmental permits and do not carry out activities with an impact on the environment.

7. Other Information

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.

This report is accompanied by the following annex:

ANENX 1	Consolidated financial statements as of December 31, 2023, prepared pursuant to Norm no. 39/2015 for the approval of the Accounting Regulations compliant to the International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by the ASF – Financial Instruments and Investments Sector – **audited**

The version prepared in Romanian of the consolidated 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 and CEO

LION CAPITAL S.A.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Prepared in accordance with the International Financial Reporting standards adopted by the European Union and the Financial Supervisory Authority's Rule 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

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders,
Lion Capital S.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

• Equity	RON 4,050,348,420
• Net profit for the financial year	RON 432,899,629

3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the 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 Group 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.

Key Audit Matters

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

Key audit matter	**How our audit addressed the matter**
Valuation of equity investments We refer to note 18 and 19 to the consolidated financial statements, which presents the investments in financial assets at fair value, including equity investments representing shares held by the Group. As at December 31, 2023, these equity investments represent approximately 59% of the total assets of the Group. Equity investments presented to Level 3 of the fair value hierarchy represent RON 941 million and consist of participations held by the Group 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 Group's management and by authorized in-house valuers of the Group. The management of the Group 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 consolidated financial statements.	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 Group'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 Group. We have assessed the Group 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 consolidated financial statements. We have also considered whether the consolidated 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.

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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 Administrators' Consolidated report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the 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 consolidated 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

   With respect to the Administrators' consolidated 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. 29-30.

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

   a) the information included in the Administrators' consolidated report for the financial year for which the consolidated financial statements have been prepared, is consistent, in all material respects, with the consolidated financial statements.
   b) the Administrators' consolidated report has been prepared, in all material respects, in accordance with the provisions of FSA Norm no 39/2015 articles 29-30.

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

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

7. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and FSA norm 39/2015 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

8. In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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 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 financial statements of Lion Capital Group for the financial year ended 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 the Law 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 consolidated financial statements included in the annual financial report of Lion Capital S.A. and its subsidiaries ("the Group") as presented in the digital files which contain the unique code ("LEI") 254900GAQ2XT8DPA7274 ("**Digital Files**").

(I) Responsibilities of management and those charged with governance for the Digital Files prepared in compliance with the ESEF

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

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

- the selection and application of appropriate iXBRL mark-ups;

- ensuring consistency between the Digital Files and the consolidated financial statements to be submitted in accordance with FSA norm no. 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 Audit of the Digital Files

Our responsibility is to express a conclusion on whether the consolidated 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 extend 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 Group's process for preparation of the digital files in accordance with ESEF, including relevant internal controls.

- reconciling the digital files including the marked-up data with the audited consolidated financial statements of the Group to be submitted in accordance with FSA Norm no. 39/2015.

- evaluating if all financial statements contained in the consolidated annual report have been prepared in a valid XHTML format.

- evaluating if the iXBRL mark-ups, including the voluntary mark-ups, comply with the requirements of ESEF.

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

In our opinion, the consolidated 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 consolidated financial statements. Our audit opinion relating to the consolidated financial statements of the Group for the year ended 31 December 2023 is set out in the "Report on the audit of the consolidated 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

The consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 December 2023
(All amounts shown are in LEI)

In ROL	Note	31-Dec-23	31-Dec-22
Revenue			
Income from dividends	8	121.915.413	148.191.611
Interest income (amortized cost assets, fair value assets through other comprehensive income)	9	7.941.984	4.878.640
Interest income asset at fair value through profit or loss	9	9.700.808	6.034.033
Other operating income	10	53.293.677	32.102.805
Investment gain/loss			
Gain/(loss) on investments in real estate	11	16.533.768	352.346
Gain/(loss) from exchange rate differences		1.347.864	88.916
Profit/loss on financial assets at fair value through the profit and loss account	12	294.280.842	(47.405.752)
Expenses			
Retakeovers/provisions for risks and charges		(891.602)	(251.801)
Write-offs/(set-ups) of current assets depreciation		(115.981)	376.857
Interest expenses		(210.369)	(434.623)
Commission expenses	13	(5.068.294)	(4.350.043)
Other operational expenditure	14	(39.056.909)	(35.410.450)
Profit before tax		**459.671.201**	**104.172.540**
Income tax	15	(26.771.572)	(10.630.283)
Net profit of the financial year		**432.899.629**	**93.542.257**
Profit is assigned to:			
The parent undertaking		432.815.498	93.539.352
Non-controlling interests		84.131	2.905
Total profit for the financial year		**432.899.629**	**93.542.257**
Other comprehensive income			
Amounts that are or may be transferred to profit or loss			
Amounts that can be transferred to profit and loss (debt instruments)		-	(65.463)
Amounts that are or may be transferred to retained earnings			
Fair value changes Financial assets at fair value through other comprehensive income	19	502.963.075	(289.696.660)
The effect of the related corporate tax		(70.239.838)	43.396.254
Other comprehensive income		**432.723.237**	**(246.365.869)**
Total overall result for the period		**865.622.866**	**(152.823.612)**

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

Bogdan-Alexandru Dragoi
President, General Manager

Bogdan Dusu
Financial Director

The consolidated statement of financial position for the financial year ended 31 December 2023
(all amounts shown are in lei)

In ROL	Note	31-Dec-23	31-Dec-22
Assets			
Cash and cash equivalents	16	417.878.500	38.538.814
Bank deposits	17	19.674.562	30.786.239
Other financial assets	20	37.869.832	16.079.974
Other assets		442.330	456.795
Assets held for sale	21	64.940.084	46.792.387
Financial assets measured at fair value through the profit and loss account	18	1.920.410.142	1.742.399.219
Financial assets measured at fair value through other comprehensive income (shares)	19	1.826.159.366	1.486.550.751
Investments in real estate	11	33.745.945	31.210.877
Tangible assets	22	6.216.225	6.695.240
Total assets		**4.327.336.986**	**3.399.510.296**
Liabilities			
Dividends to be paid		9.886.856	10.042.310
Other financial liabilities	23	17.386.795	46.700.851
Other liabilities and income recorded in advance		64.954.572	251.757
Loans	25	-	16.311.778
Lease liabilities		-	5.250
Provisions for risks and charges		3.732.599	2.840.997
Deferred tax liabilities	24	181.027.745	137.029.193
Total liabilities		**276.988.567**	**213.182.136**
Equity			
Share capital	26	50.751.006	50.751.006
Own shares		(2.494.800)	-
Losses on the repurchase of own shares		(31.973)	-
Gains / (loss) on financial assets and liabilities held for trading, net		2.159.850	2.000.537
Other services	26	1.699.567.035	1.604.099.887
Reserves from the revaluation of tangible assets		1.176.569	1.176.569
Legal reserves		11.106.413	10.410.602
Reserves from the revaluation of financial assets designated at fair value through other comprehensive income	19	1.002.509.286	662.131.924
Retained earnings	26	1.284.040.414	855.737.756
Total		**4.048.783.801**	**3.186.308.281**
Non-controlling interests		1.564.619	19.879
Total equity		**4.050.348.420**	**3.186.328.160**
Total liabilities and equity		**4.327.336.987**	**3.399.510.296**

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

Bogdan-Alexandru Dragoi President, General Manager	Dusu Bogdan Financial Director

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

(all amounts shown are in lei)

In ROL	**Share capital**	**Own actions**	**Losses on share redemptio n**	**Legal reserves**	**Restatement financial assets designated at fair value through other comprehensive income**	**Revaluation reserves tangible assets**	**Reserves for share based payments**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
Balance as at 1 January 2023	**50.751.006**	**0**	**(0)**	**10.410.602**	**662.131.924**	**1.176.569**	**2.000.537**	**1.604.099.887**	**855.737.756**	**3.186.308.281**	**19.879**	**3.186.328.160**
Current year profit									432.815.498	432.815.498	84.131	432.899.629
Changes in the revaluation reserve for tangible assets												
The revaluation reserve of financial assets transferred to the profit and loss account					(106766.363)				106.766.363			
The revaluation reserve of financial assets transferred to retained earnings					499.670.577				2.596.741	502.963.		502.267.265
The variation in the reserve Related deferred income tax					(52.526.852)				(17.712.986)	(70.239.785)		(70.239.785)
Total overall result for the period	**-**	**-**	**-**	**-**	**340.377.362**		**-**	**-**	**524.465.616**	**864.842.977**	**84.131**	**865.622.866**
Other reserves - own resources								95.467.147	(95.467.147)			
Payment dividends for the year 2021												
Prescribed dividends												
Change in the reserve for subsidiaries				695.811					(695.811)		1460.609	1.460.609
Variation of shared based payments							159.313			159.313		159.313
Repurchase of own shares		(4.712.400)								(4.712.400)		(4.712.400)
Cancel your own shares	1	2.217.600	(31.973)							2.185.628		2.185.628
Total shareholder transactions recognized directly in own equity	**1**	**(2.494.800)**	**(31.973)**	**695.811**			**159.313**	**95.467.147**	**(96.162.957)**	**(2.367.459)**	**1.460.609**	**(906.849)**
Balance as at 31 December 2023	**50.751.007**	**(2.494.800)**	**(31.973)**	**11.106.413**	**1.002.509.286**	**1.176.569**	**2.159.850**	**1.699.567.035**	**1.284.040.414**	**4.048.783.801**	**1.564.619**	**4.050.348.420**

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

Bogdan-Alexandru Dragoi
President, General Manager

Dusu Bogdan
Financial Director

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

(all amounts shown are in lei)

In ROL	**Share capital**	**Own shares**	**Losses on share redemption**	**Legal reserves**	**Restatement financial assets designated at fair value through other comprehensive income**	**Revaluation reserves tangible assets**	**Reserves for share based payments**	**Other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
Balance as at 1 January 2022	**51.542.236**	**(21.363.229)**	**(330.998)**	**10.568.848**	**910.357.994**	**1.176.569**	**0**	**1.249.578.037**	**1.166.055.407**	**3.367.584.864**	**20.343**	**3.367.605.207**
Profit current year									93.539.352	93.539.352	2.905	93.542.257
Changes in the revaluation reserve for tangible assets												
The revaluation reserve of financial assets transferred to the profit and loss account					(2.119.796)				2.119.796	0		0
The revaluation reserve of financial assets transferred to retained earnings				(158.246)	(289.327.009)				(289.337)	(289.774.592)		(289.774.592)
The variation in the reserve												
Related deferred income tax					43.220.735				187.988	43.408.723		43.408.723
Total overall result for the period				**(158.246)**	**(248.226.070)**				**95.557.799**	**(152.826.517)**	**2.905**	**(152.823.612)**
Other reserves - own resources								356.550.501	(356.550.501)			
Payment dividends for the year 2021									(30.450.603)	(30.450.603)		(30.450.603)
Prescribed dividends												
Change in the reserve for subsidiaries											(3.369)	(3.369)
Variation of shared based payments							2.000.537			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)	0		0
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)**	**(3.369)**	**(28.453.435)**
Balance as at 31 December 2022	**50.751.006**	**0**	**0**	**10.410.602**	**662.131.924**	**1.176.569**	**2.000.537**	**1.604.099.887**	**855.737.756**	**3.186.308.281**	**19.879**	**3.186.328.160**

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

Bogdan-Alexandru Dragoi
President, General Manager

Dusu Bogdan
Financial Director

Consolidated statement of cash flows for the financial year ended 31 December 2023 *(all amounts shown in lei)*

In ROL	31-Dec-23	31-Dec-22
Cash flows from operating activities		
Net profit of the period	**432.899.629**	**93.542.257**
Adjustments for:		
Depreciation of tangible and intangible assets	914.002	969.603
(Gain)/loss on disposal of tangible assets	-	-
(Gain)/loss on the measurement of investments in real estate	(16.533.768)	(352.346)
(Other operating expenses	1.007.583	(125.056)
(Net gain)/net loss on financial assets at fair value through the profit and loss account	(294.280.842)	47.405.752
Income from dividends	(121.909.568)	(148.191.611)
Interest income	(17.642.792)	(10.912.673)
Interest expenses	210.368	434.623
(Gain)/loss on financial assets and liabilities held for trading, net	(296.874)	(887.758)
Other foreign exchange adjustments and differences	2.315.317	2.000.537
Income tax	19.201.251	10.630.283
Operating profit before the change in assets and liabilities	**5.884.305**	**(5.486.389)**
Changes in the assets and liabilities associated with the operating activity		
Changes in other assets	(7.171.404)	22.854.346
Changes in other liabilities	(2.087.723)	3.920.420
Income tax paid	(27.992.317)	(6.776.560)
Net cash generated from operating activities	**(31.367.139)**	**14.511.817**
Cash flows from investment activities		
Payments for the purchase of financial assets measured at fair value through other comprehensive income (shares, bonds)	(23.748.220)	(357.337.857)
Proceeds from the sale of financial assets measured at fair value through other comprehensive income (shares, bonds)	183.810.181	8.378.030
(Investments)/deposits received over 3 months	11.002.685	84.267.323
Proceeds from the sale/redemption of assets at fair value through the profit and loss account (units, bonds)	168.740.454	27.193.910
Payments for the acquisition of assets at fair value through the profit and loss account (units, shares, bonds)	(37.359.100)	(133.687.468)
Payments for the acquisition of tangible fixed assets and investments in real estate	(343.581)	(2.071.519)
Proceeds from sale of tangible assets and investments in real estate	464.357	1.100
Dividends received	116.229.963	141.095.659
Interest earned	13.421.536	7.160.257
Net cash used in investment activities	**432.218.275**	**(225.000.565)**
Cash flows from financing activities		
Proceeds/repayments of loans (including leasing)	(16.533.301)	(23.321)
Dividends paid to the shareholders of the company	(161.453)	(19.203.445)
Repurchase of own shares	(4.772.793)	-
Net cash used in financing activities	**(21.467.547)**	**(19.226.766)**
Net increase/decrease in cash and cash equivalents	**379.383.589**	**(229.715.514)**
Cash and cash equivalents at the beginning of the accounting year	**38.538.814**	**268.254.328**
Cash and cash equivalents at the end of the financial year	**417.878.500**	**38.538.814**

Consolidated statement of cash flows for the financial year ended 31 December 2023 *(all amounts shown in lei)*

Cash and cash equivalents shall comprise:

	31 december 2023	31 december 2022
Cash in cash in cash	5.637	7.343
Current accounts with banks (including interest receivable)	10.218.777	28.881.950
Bank deposits with original maturity of less than 3 months (including interest receivable)	407.654.022	9.647.178
Other cash amounts and advances	64	2.343
Cash and cash equivalents	**417.878.500**	**38.538.814**

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

Bogdan-Alexandru Dragoi President, General Manager	Dusu Bogdan Financial Director

Consolidated accounting policies

1 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 private property Fund and is a public limited liability company operating under Law No 31/1990. Thecompany 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.).
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: 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, starting with 28.11.2019 is BCR.
The register services company is the Central depository OF THE BUCHAREST CENTRAL SA.
The consolidated financial statements drawn up for the year 2023 comprise the company, its subsidiaries and associations ('the group'). The subsidiaries and associations are listed in Note 3. The company shall prepare consolidated financial statements as the ultimate parent for the group entities.
Segment reporting - the activity carried out by the group in the years 2023 and 2022 is found in a single segment of activity, i.e. financial.
In accordance with IFRS 10, as of the financial year 2018, the company measures all its subsidiaries at fair value through the profit or loss account, with the exception of subsidiaries that provide investment-related services, which will continue to be consolidated.

2 The basis of the preparation

a) The declaration of conformity

The consolidated 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").
In accordance with Regulation No 1607/2002, of the European Parliament and of the Council of the European Union of 19 July 2002 and Law No 24/2017 on issuers of financial instruments and market operations , Financial investment firms are required to prepare and submit to the Financial Supervisory Authority (FSA) consolidated annual financial statements in accordance with IFRS within 4 months of the end of the financial year.
The accounting records of the company and its subsidiaries are maintained in lei.

As not all subsidiaries apply International Financial Reporting standards as an accounting basis, accounts prepared in accordance with Romanian accounting Regulations ("RCR") are retreated to reflect existing differences between the RCR-compliant and IFRS-compliant accounts. Accordingly, the accounts under the CRR shall be adjusted, as far as necessary, to harmonize these financial statements in all material respects, With the IFRS requirements adopted by the European Union in Regulation 1606/2002 of the European Parliament and of the Council of the European Union of July 2002 and ASF Standard No 39/2015.

b) The presentation of consolidated financial statements

The group has adopted a liquidity-based presentation in the consolidated statement of financial position and a presentation of income and expenses as they are of their nature in the consolidated 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

Consolidated financial statements are prepared on the basis of the fair value agreement for financial assets and liabilities, at fair value through the profit and loss account and financial assets at fair value through other comprehensive income, i.e. for investment property.
Other financial assets and liabilities, as well as non-financial assets and liabilities are presented at amortized cost, revalued amount or at cost.
The methods used to measure fair value are described in Note 4.

d) Business continuity

The consolidated financial statements have been drawn up using the going concern principle, which implies that the parent company and the companies in its portfolio will be able to hold assets and meet their obligations in the course of their business.

e) Functional and presentation currency

The consolidated financial statements are presented in lei, rounded to the nearest lion, the currency which the Group management chose as the presentation currency.

f) Use of estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires the use of estimates, judgments and assumptions from the Group's management 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.
Judgments made by the Group's management in applying IFRS that have a material effect on consolidated financial statements and estimates that involve a material risk of a material adjustment in the course of next year are presented in Note 6.

g) Changes in accounting policies - information on accounting policies with material impact

The group adopted the document “presentation of accounting policies (amendments to IAS 1 and Declaration 2 on IFRS practice)” as of 1 January 2023. The management reviewed accounting policies in this context and the amendments did not lead to changes in the accounting policies themselves.
The amendments provide for the presentation of accounting policies “with material impact” rather than “significant” accounting policies. The amendments also provide guidance on the application of the concept of "material" in the presentation of accounting policies.

The accounting policies adopted shall be applied consistently over all periods presented within those consolidated financial statements.

Ias from the 2018 financial year, the company measures all its subsidiaries at fair value through the profit or loss account, with the exception of subsidiaries offering investment-related services, which will continue to be consolidated.

3 The foundations of consolidation

a) Subsidiaries and associates

Subsidiaries are entities under the control of the company. Control exists when the company is exposed to, or has rights to, variable returns on the basis of 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.
The financial statements of subsidiaries shall be included in the consolidated financial statements from the time when control begins to cease. The accounting policies of the subsidiaries have been modified in order to align them with those of the Group.
The list of investments in subsidiaries as at 31 December 2023 and 31 December 2022 is as follows:

CAS No: 135	Company name	Percentage held (%) 31 december 2023	Percentage held (%) 31 december 2022
1	(SIF real estate PLC Nicosia)	99,9997	99,9997
2	(SIF SPV TWO BUCHAREST)	99,99	99,99
3	SAI Muntenia invest SA Bucharest	99,98	99,98
4	(SIF1 IMGB)	99,99	99,92
5	(Napomar SA Cluj Napoca)	99,43	99,43
6	(SIF Hotels SA Oradea)	98,99	98,99
7	(Azuga Tourism SA Bucharest)	98,94	98,94
8	Real estate administration SA Bucharest	97,40	97,40
9	(Silvana SA Cebu Silvaniei)*	-	96,28
10	(Iamu SA Blaj)	96,53	76,70
11	(Vrancart SA Adjud)	76,05	75,50
12	(Central SA Cluj)	-	74,53
13	(Untech SA)**	36,34	36,34
14	(SIFI logistic CJ)**	5,53	5,53
15	(Ario SA Bistrita)*	93,64	93,64

Note: The subsidiaries shown in brackets in the table above are reflected at fair value through the profit or loss account in consolidated statements

* *Bankruptcy*

** *The companies Uneh SA and SIFI CJ Logistic SA are subsidiaries through direct and /or indirect control through SIF immovare PLC Nicosia.*

b) Associated entities

Associates are those companies in which the company can exercise significant influence, but not control, over financial and operational policies.

The company in which Lion capital S.A holds between 20 and 50 %, over which it exercises significant influence on 31 December 2023, is Biofarm SA.

	Percentage held (%)	
Company name	**31 december 2023**	**31 december 2022**
Biofarm SA Bucharest	36,75	36,75

On 31 December 2023 Lion capital S.A. has representatives on the Board of Directors of Biofarm SA and participates in the elaboration of its policies.

Companies in which Lion capital S.A. has between 20 and 50 %, over which it does not exercise significant influence:

- Companies in liquidation, insolvency, bankruptcy, etc.

		Percentage held (%)		
No	**Company name**	**31 december 2023**	**31 december 2022**	**Status**
1	COMAR SA Baia Mare	34,94	34,94	Bankruptcy
2	Elbac SA Bacau	32,45	32,45	Bankruptcy
3	Petrochart	30,18	30,18	Insolvency
4	Agroproduct SA Resita	30,00	30,00	Reorganization
5	Agroindustrial Nadlac	30,00	30,00	Bankruptcy
6	Ardeal Alba Iulia factory	29,51	29,51	Bankruptcy
7	Commix SA Ocna Mures	28,97	28,97	Bankruptcy
8	Mebis SA Bistrita	26,78	26,78	Insolvency
9	Exfor SA Bucharest	24,23	24,23	Bankruptcy
10	Mopal SA Bistrita	21,89	21,89	Reorganization
11	Transylvania Aiud	20,19	20,19	Bankruptcy

In accordance with IFRS (IAS 28, paragraph 9), the company may lose significant influence over the investee when it loses the power to participate in decisions on the entity’s financial policies and operational power, such as when the associate is under the control of the government, the judiciary, an administrator or a regulatory body.

- Companies over which they do not exercise significant influence

		Percentage held (%)	
No	**Company name**	**31 december 2023**	**31 december 2022**
1	Grand Hotel Bucharest	30,19	29,99
2	TARGOVISTE SA forest	25,75	25,75
3	CEUSA Alba Iulia	-	23,24
4	HIS Molar Suceava	21,63	21,63

As the criteria in paragraph 6 are not met, IAS 28 (‘significant influence criteria’) can be concluded that Lion capital S.A. does not have significant influence in the associated entities in the above table

c) Transactions eliminated on consolidation

Intra-group transactions and settlements, as well as unrealized profits arising from intra-group transactions, are eliminated entirely from consolidated financial statements.
The accounting policies set out below have been applied consistently over all the periods presented in these consolidated financial statements. Accounting policies have been consistently applied by all group entities.

4 Accounting policies with material impact

The accounting policies set out below have been applied consistently over all the periods presented under these consolidated statements.
The Group also adopted the document "presentation of accounting policies (amendments to IAS 1 and Declaration 2 on IFRS practice)" as of 1 January 2023. The amendments provide for the presentation of accounting policies "with material impact" rather than "significant" accounting policies. The amendments did not lead to changes in the accounting policies themselves.

Foreign currency transactions

Transactions denominated in foreign currency are recorded in lei at the official exchange rate on the settlement date of the transactions. Monetary assets and liabilities recorded in foreign currency on the date on which the consolidated statement of the financial position is drawn up 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.
Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated into functional currency at the rate as at the date of the determination of fair value.
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

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.
In preparing the consolidated cash-flow statement, cash and cash equivalents were considered to be cash, actual cash, current accounts with banks and deposits with an original maturity of less than 90 days.
The group shall present the cash-flow statement on the basis of the indirect method, reflecting the operating, investment and financing cash flows. The group recognizes the acquisitions and sales of financial assets, dividends and interest received in the cash flows related to the investment activity. The repurchase of own shares and dividends paid to the shareholders of the parent company are reflected in the cash flows of the financing activity.

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;
- Derivatives;
- Participating interests in subsidiaries, associates and joint ventures;
- Financial liabilities.

(i) Classification

The financial instruments held are disclosed by the company in accordance with IFRS 9 "Financial instruments" as financial assets and financial liabilities.
The group 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*;
- 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 the collection and through the sale (full 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 option of fair value through profit or 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 group 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 (in accordance with IFRS 9 — Financial instruments).

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 are recognized on the date the Group becomes a contractual party to the terms of that instrument. When the group 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.)

(iii) Assessment

After initial recognition, the group shall measure financial assets in accordance with IFRS 9 at:
a) The amortized cost;
b) Fair value through other comprehensive income; or
c) Fair value through profit or loss account.
The entity shall apply those amendments to IFRS 9.

Thus, the Group will classify all financial liabilities at amortized cost, except:
a) financial liabilities measured at fair value through the profit or loss account;
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 higher of the amount of the loss provision (Section 5.5 of IFRS 9) than the amount initially recognized less the cumulative income (recognized under IFRS 15);
d) Commitments to provide a loan at an interest rate below the market value, measured at the higher of the loss provision amount (Section 5.5 of IFRS 9) than the amount initially recognized less the cumulative income (recognized under 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 group 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, On the most advantageous market to which the group has access at that time. The group 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 group measures 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 quotation in Bloomberg for the issue, multiplied by the denomination per unit.
In the absence of a price quote on an active market, the group shall use 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.
The group 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 group 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 group applies the impairment requirements for recognizing the adjustment for losses on assets measured at fair value through other comprehensive income (debt instruments that meet the criteria in paragraph 4.1.2A of 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.
For the purpose of this template, the reporting entity shall report the following information:

- 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 group recognizes in the profit or loss account, 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 up to the level required by IFRS 9.
The group shall assess the expected credit losses of a financial instrument in such a way as to represent:

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

For the purpose of this template, the reporting entity shall report the following information: A financial instrument shall be considered low risk if:

- The obligor has a large ability to meet the obligations associated with the short-term contractual cash flows.

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 group uses mainly external credit ratings in the credit risk assessment.

The group shall mainly use available external credit risk ratings in the credit risk assessment.

The gain or loss on the disposal of a financial asset or financial liability measured at fair value through the profit or loss account 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 group derecognizes a financial asset when the rights to receive cash flows from that financial asset expire, Or when the group 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 group 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) Reclassifications

If the group reclassifies financial assets in accordance with paragraph 4.4.1 of IFRS 9 (as a result of a change in the business model for the management of its financial assets), then all affected financial assets will be reclassified. Financial liabilities may not be reclassified after initial recognition.
The group applies the reclassification of financial assets prospectively from the reclassification date. Any previously recognized gains, losses or interest will not be retreated.
In the event of a reclassification, the Group shall:

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

(vii) 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:

- Gains or losses on financial assets or financial liabilities classified as measured at fair value through the profit or loss account are recognized in the profit or loss account;
- 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) in other comprehensive income
- Income from dividends shall be recognized in the profit or loss account

Gains on debt instruments (bonds):

- Changes in fair value (including foreign exchange) in other comprehensive income
- Interest income shall be recognized in the profit or loss account
- 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 the profit or loss account in the case of debt instruments;
- They are transferred under retained earnings in the case of equity instruments (shares).

At the time of impairment or derecognition of financial assets accounted for at amortized cost and through their amortization process, the group 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 the profit or loss account or in equity, as applicable.

d) Non-current assets held for sale

The group accounts for non-current assets held for sale in accordance with IFRS 5. The group reclassifies fixed assets within this category if the following conditions are met: There is a firm commitment to dispose of them, the asset is readily available for sale, there is an active program to search for potential buyers, the price at which the asset is to be redeemed is reasonable, in relation to its fair value, there are no clear indications that the sale decision is likely to be withdrawn.
The measurement at the date of classification as non-current assets for sale is based on the carrying amount of the asset determined in accordance with the Financial Reporting Standard applicable to that category. The subsequent measurement shall be carried out at the lower of the carrying amount to the fair value less the costs incurred in valuing the assets.

(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 group into the following asset classes of the same nature and of similar use:

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

(ii) 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 the profit or loss account to the extent that it compensates for a decrease from the revaluation of the same asset previously recognized in the profit or loss account.
If the carrying amount of an asset is reduced as a result of a revaluation, this reduction shall be recognized in the profit or loss account.
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 effected through the profit or loss account.

(iii) Subsequent costs

The subsequent costs of fixed tangible assets shall be assessed in the light of the general criterion for the recognition of fixed tangible assets, respectively

- 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.

(iv) 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.

H) investments in real estate

An investment property is a real estate (land, building or part of a building) owned by the group rather to obtain rental income or to increase the value of capital, 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 group 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 Group shall measure that investment property using the cost model. All other investments in real estate are measured at fair value. If the Group 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) Unrecognition

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 the profit or loss account during the period of disposal or disposal.

i) Impairment of non-financial assets

The carrying amount of non-financial group assets other than deferred tax assets shall be reviewed at each reporting date to identify 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 independant 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.
Non-financial assets, other than goodwill, that have been affected by impairment shall be reviewed for the possible reversal of impairment on each reporting date.

j) 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 consolidated financial statements, the Group 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 group recognizes the redemptions of own shares at the trade date as a decrease 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. In derecognition, the group uses the share capital (for nominal value), i.e. retained earnings (for the difference between acquisition cost and nominal value) accounts against the canceled own shares.

k) Provisions for risks and charges

Provisions shall be recognized in the consolidated statement of financial position where a past-event obligation arises for the group 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.

l) Income and interest expenses

Income and interest expenses shall be recognized in the consolidated 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.

m) 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 group 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 shall be 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 group at the date of registration and the gross dividend/share approved by those resolutions.

n) Rental income

The lease income is generated by investments in real estate leased by the group in the form of operational leases and is recognized in linear profit or loss over the whole period of the contract.

o) 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 group makes payments on behalf of its employees to the Romanian state pension system, and health insurance, in the course of normal activity. The group also holds and is transferred to private pension funds the amounts with which employees signed up to an optional pension plan.
All the Group's employees are members and also have a legal obligation 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 group has no further obligations.
The group is not engaged in any independant pension scheme and therefore has no other obligations to do so. The group shall not be required to provide any subsequent services to former or current employees.

(iii) long-term employee benefits

The net obligation of the Group in terms of long-term service benefits shall be the amount of future benefits that employees have earned in exchange for services provided by them in the current and prior periods. Within the group, depending on the rules of the collective employment agreement in force, persons who retire at the age of their retirement may receive aid at the level of five net average wages per group.
The net liability of the group in respect of long-term benefits determined on the basis of the collective agreement shall be estimated using the projected credit factor method and recognized in the profit and loss account on the accrual basis. The surplus or deficit arising from changes in the discount rate and other actuarial assumptions is recognized as income or expense over the remaining working life of the employees participating in this plan.

(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 estimate reliably, the fair value of the services received. The fair value of those equity instruments shall be measured at the date of granting. An award of equity instruments may be conditional on 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 need to be satisfied, such as the group achieving a specified profit increase or a specified increase in the price of the group's shares. 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.

p) 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 group recognizes a deferred income tax liability (asset) for taxable (deductible) temporary differences of fair value in the case of investments in shares 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 financial statements of the Group.
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, i.e. income tax (in the case of a subsidiary).
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% and the income tax was 1%.

q) The result per share

The parent shall present the information on the result per share base and diluted in separate financial statements.

r) Dividends

Dividends are treated as a profit distribution during the period in which they were declared and approved by the General meeting of shareholders. The profit available for distribution shall be the profit of the year in the separate financial statements drawn up in accordance with the International Financial Reporting standards adopted by the European Union.
Dividends which have not been retained for three years and for which the right to claim has been prescribed shall be recorded in equity under other reserves.

s) Reporting by segment

An operating segment is a component of an entity that engages in commercial activities from which it can obtain income and incur expenses (including income and expenses related to transactions with other components of the same entity) the operational results of which are regularly reviewed by the entity's chief operational decision maker to decide on the resources to be allocated to the segment and assess its performance and for which financial information is available.
From the point of view of the management, the real estate business of some of the subsidiaries is pursued as a financial activity and has been included in the segment of financial activity.

t) Adoption of 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.

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.

u) 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 consolidated 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 consolidated 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.
For events after the balance sheet date that lead to the adjustment of the annual financial statements, the group shall adjust the amounts recognized in its financial statements to reflect post-balance sheet events. An event after the balance sheet date that results in the adjustment of the annual financial statements and requires the group to adjust the amounts recognized in its annual financial statements or recognize items that have not been previously recognized is the resolution after the balance sheet date of a dispute that confirms that the group has an obligation shown at the balance sheet date. The Group shall adjust any previously recognized provision relating to this dispute or recognize a new provision.

(x) non-financial climate information and the impact of climate risks on asset depreciation

The tangible assets held by the group, classified both as tangible assets and as investments in real estate (shown in the specific notes to the financial statements), are amortized according to 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 group and reflected as tangible assets or investments in real estate have not suffered value impairments that represent the effect of climate change and the impact of which is recognized in the financial statements prepared by the group.

Provisions, accounting treatment of contracts for the purchase of electricity

The group has not had, and has no, contracts for the purchase of electricity other than those entered into as final customers for the operation of the business carried out at the premises of the parent company in question at the premises of the branch of Bucharest and the two subsidiaries included in the consolidation. Therefore, the group did not recognize provisions in this respect. In both previous and financial years ending 2023, the share of energy costs in the group's total operating expenditure is low.

(y) the impact of the conflict in Ukraine on the financial statements

The group has no investments or exposures in the area of the military conflict in Ukraine. The impact on the group's assets and financial performance is linked to unforeseeable developments in the financial markets, the exacerbation or exacerbation of certain asset classes, 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.

(z) impact of the current macroeconomic environment on employee benefits, impairment of non-financial assets and expected credit losses (ECL)

Employee benefits

The group 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 group management and the employee representatives, under the conditions laid down in applicable legal regulations.

The tangible assets held by the group, classified both as tangible assets and as investments in real estate (shown in the specific notes to the financial statements), are amortized according to 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 company does not have recognised in its financial statements expected credit losses, given that financial assets such as interest-bearing debt instruments are reflected in financial assets at fair value through profit or loss. 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.

5 Managing significant risks

The risk management activity is part of the organizational structure of the Group 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 group 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 Group's exposure to each of the above-mentioned risks, the Group's objectives and policies, and the risk assessment and management processes.
The group 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.

5.1 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 group's management shall set acceptable risk limits, which shall be regularly monitored. However, the use of this approach does not lead to the prevention of losses outside the limits set in the event of significant market fluctuation.
Position risk is associated with the portfolio of financial instruments held by the group with the intention of benefiting from favorable price developments of those financial assets or from any dividends/coupons issued by issuers. The group 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 group.

Concentration risk
Concentration risk concerns all assets held by the group, 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 group 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. This diversification policy thus 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 group 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 Group 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 strategy of the market risk Management Group shall be guided by its investment objective and market risk shall be managed in accordance with its policies and procedures.
The group is exposed to the following market risk categories:
(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 group is at risk that the fair value of the financial instruments held fluctuates 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 Group, the 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 179.853.492 (31 December 2022: lei 154.224.584), 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 and corporate bonds would result in an increase in

equity, net of profit tax, by lei 157.977.004 (31 December 2022: lei 125.507.709), a negative change of 10% having an equal net impact and sign contrary.
As can be seen from the table below, on 31 December 2023 the Group held a majority of shares in companies active in the financial, banking and insurance sectors, with a share of 44,9% of the total portfolio, down from 31 December 2022.

In ROL	**31 december 2023**	**%**	**31 december 2022**	**%**
Financial intermediation and insurance	1.464.763.687	44,9%	1.231.384.286	45,7%
Manufacturing	890.194.675	27,3%	706.130.898	26,2%
Hotels and restaurants	178.795.162	5,5%	133.536.179	5,0%
Wholesale and retail trade. repair of motor vehicles	230.430	0,0%	39.160.957	1,5%
Production and supply of energy. gas. water	28.800.000	0,9%	0	0,0%
Mining and quarrying	203.994.153	6,3%	149.134.107	5,5%
Other activities	0	0,0%	701.349	0,0%
Financial services applicable to real estate	435.363.472	13,4%	376.214.889	14,0%
Construction	4.377.211	0,1%	3.277.721	0,1%
Transport and storage	46.044.950	1,4%	38.232.508	1,4%
Rental of real estate	8.081.063	0,2%	14.282.752	0,5%
Agriculture. forestry and fishing	39.615	0,0%	151.925	0,0%
TOTAL	**3.260.684.418**	**100,0%**	**2.692.207.570**	**100,0%**

On December 31. 2023 and December 31. 2022. the Group owns fund units worth 395.546.142 lei (December 31. 2022: 363.088.921 lei). at the alternative Investment Funds active Plus. Star value. optimal invest. Certinwest shares and Romania Strategy Fund.
The group is exposed to price risk in terms of investments made (quoted shares. bonds. bank deposits) with different risk levels 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 the income or expenses. or the value of the group'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 and interest-bearing debt’ financial assets. However. interest rate risk may also affect the value of fixed interest-bearing assets (e.g. bonds). 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 Group is at risk that the fair value of future cash flows of financial instruments will fluctuate as a result of changes in market interest rates.
Thus. the group will be subject to an exposure limited to fair value rate risk or future cash flows due to fluctuations in prevailing market interest rates.
The group shall not use derivatives to protect itself from interest rate fluctuations.
The following table illustrates the annual interest rates obtained by the group for interest-bearing assets during 2023:

	RON Range		**EUR Range**	
Financial assets	**Min**	**Max**	**Min**	**Max**
Bank deposits	0,0%	6,75%	2,8%	3%
Financial assets at fair value through profit and loss*	4,3%	10,2%	3,10%	5,11%
Related parties loans	2%	3,5%	1%	1%

** 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 group for interest-bearing assets during 2022:

	RON Range		**EUR Range**	
Financial assets	**Min**	**Max**	**Min**	**Max**
Bank deposits	0,0%	9,50%	0,06%	1,40%
Financial assets at fair value through profit and loss*	4,3%	10,2%	3,10%	5,11%
Financial assets at fair value through comprehensive income	-	-	5,75%	5,75%
Related parties loans	2%	3,5%	1%	1%

* *Under financial assets at fair value through other comprehensive income are included corporate bonds.*

The table below summarizes the Group’s exposure to interest rate risks. The table includes the Group’s assets and liabilities at book values. classified according to the latest date between the date of change in interest rates and the maturity date.

In RON	**2023**	**2022**
Cash and cash equivalents*	206.578.062	9.625.793
Bank deposits	19.527.751	30.530.436
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	50.050.280	133.915.653
Loans from related parties	-	(14.531.581)
TOTAL	**313.768.389**	**197.152.598**

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

Impact on the group's net profit (on income/expenses from/on interest) 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 2.353.263 (31 december 2022: lei 1.656.082).
In the case of bonds that are evidenced at fair value (level 3) held. a variation in their market price of +/-5% results in a net impact in the amount of lei +/-1.410.461 (lei 31 December 2022: +/-lei 1.579.616) in the respective profit or loss account in the amount of lei 0 (31 December 2022: in the case of an entity that is not a financial asset. the amount of the net position shall be

(iii) foreign exchange risk

Foreign exchange risk is the risk of incurring losses or of not making the expected profit due to adverse exchange rate fluctuations. The group 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 group performed 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 group did not carry out any foreign exchange derivative transactions during the financial years submitted.

The Group's financial assets and liabilities in lei and currencies at 31 December 2023 and 31 December 2022 can be analyzed as follows:

Financial assets and liabilities at foreign exchange risk (in RON)

In RON	**2023**	**2022**
Cash and cash equivalents	204.466.193	19.805.929
Bank deposits	-	3.968.576
Financial assets at fair value through profit or loss account — (including assets held by investment funds)*	75.082.478	145.226.312
Financial assets at fair value through other comprehensive income**	-	147.927.260
TOTAL	**279.548.671**	**316.928.078**
Loans	-	(1.154.778)
Debt from leases	(0)	(5.250)
Total liabilities	**(0)**	**(1.160.028)**

Net financial assets	**279.548.671**	**315.768.050**

** Financial assets at fair value through the profit or loss account include borrowing in euro (in year 2023) and holdings in foreign currency of closed investment funds in proportion to the company's holding in its 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 December 31. 2023. the Group has fund units for active plus alternative Investment Funds. Star value. optimal invest. Certinwest shares and Romania Strategy Fund. The group 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. that is on 31 December 2022. the assets of alternative investment funds were mainly equity investments listed on a regulated market in Romania or in another Member State

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%)	10.483.075	-	7.049.313	6.212.945
EUR 5% depreciation (2022: 5%)	(10.483.075)	-	(7.049.313)	(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 group. resulting in a loss for the group. The group 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 group management shall closely and consistently monitor credit exposure so that it does not suffer losses as a result of the concentration of credit in a particular sector or sector 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 Group did not register outstanding financial assets. with the exception of some balances on various receivables and debtors which were considered impaired.

The following are the financial assets with credit risk exposure:

31 december 2023	Current accounts	Bank deposits	Loan granted (FVTPL)	Corporate bonds (FVTPL)	Other financial assets	Total
AAA to A- rating						
BBB+	397.284	47.757.062				48.154.346
BBB	1.230.468					1.230.468
BBB-	24.676	206.768.052				206.792.728
BB+	14.306.255	165.500.000				13.581.010
BBB						-
BB-	50.964					50.964
Ba1	66.206					66.206
NO:	89.706		52.034.667	38.185.926	37.869.832	128.180.131
TOTAL	**16.165.558**	**420.025.114**	**52.034.667**	**38.185.926**	**37.869.832**	**564.281.097**

31 december 2022	Current accounts	Bank deposits	Corporate bonds (FVTOCI)	Corporate bonds (FVTPL)	Other financial assets	Total
AAA to A- rating						
BBB+	19.748.766	1.045.573				20.794.339
BBB	3.304.865	9.359.000				12.663.865
BBB-	3.514	12.015.220				12.018.734
BB+	208.844	5.580.000				5.788.844
BBB	6.631	9.156.436				9.163.067
BB-	978					978
B+	8.405.422					8.405.422
Ba1	68.983					68.983
NO:	90.045		135.340.462	38.313.018	16.079.974	189.823.499
TOTAL	**31.838.048**	**37.156.229**	**135.340.462**	**38.313.018**	**16.079.974**	**258.727.731**

The maximum exposure to the Group’s credit risk is lei 564.281.097 at 31 December 2023 (December 31. 2022: Lei 258.727.731). The following tables show the most important components at risk:

Exposure from current accounts and deposits placed with banks

	Credit rating			**31 december 2023**	**31 december 2022**
BRD – Groupe Société Générale	BBB+	BRD – Groupe Société Générale	Fitch	9.417	14.403.814
Banca Transilvania	AAA+	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-		Fitch	206.792.728	9.163.067
Bank of Greece	BBB+	EXIM Bank Romania	Fitch	6.718.960	6.232.956
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italy	Fitch	20.384	9.380.149
ProCredit	BB+	ProCredit	Fitch	5.985.980	5.785.778
Raiffeisen Bank Romania	Ba1	Raiffeisen Bank Romania	Fitch	66.206	68.983
Credit Europe Bank	BB+	Credit Europe Bank	Fitch	7.595.030	8.405.422
UniCredit Tiriac	BBB	UniCredit Tiriac	Fitch	1.210.084	3.283.716
Libra Bank	BB-	Libra Bank	Fitch	50.964	978
Techntaking Bank				89.706	89.851
Other banks				-	194
TOTAL				**436.190.672**	**68.994.277**

*For banks without rating we have taken into account the rating of the parent group.

The Group’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 31 December 2023 - Le-**	**Scandenta**
Vrancart SA*	Lei	368.748	100.00	8.35%	37.612.296	2024
Total					**37.612.296**	

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

The Group’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 31 December 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)

**fixed interest rate

In view of 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 Group.

Cash and cash equivalent and bank deposits are not past due and are not impaired.
The group carried out an internal analysis of expected credit losses and the analysis concluded that their impact is insignificant. The group thus does not disclose in the notes the expected credit losses required by IFRS 9.

Corporate bonds are not past due and are not impaired.

(c) liquidity risk

Liquidity risk is the risk that the group 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 that is unfavorable to the group.
The group 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 relation to the remaining period 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	**417.878.500**	417.878.500	-	-	-
Bank deposits	**19.674.562**	19.674.562		-	-
Financial assets at fair value through the profit and loss account	**1.920.410.142**	573.630	52.034.667	37.612.296	1.830.189.549
Financial assets measured at fair value through other comprehensive income	**1.826.159.366**				1.826.159.366
Other financial assets	**39.345.642**	39.345.642	-	-	-
Total financial assets	**4.223.468.212**	**477.472.334**	**52.034.667**	**37.612.296**	**3.656.348.915**
Financial liabilities					
Dividends to be paid	**9.886.856**	9.886.856	-	-	-
Other financial liabilities	**17.386.795**	17.386.795	-	-	-
Total financial liabilities	**27.273.651**	**27.273.651**	**-**	**-**	**-**
Excess liquidity	**4.196.194.561**	**450.198.683**	**52.034.667**	**37.612.296**	**3.656.348.915**

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	**38.538.814**	38.538.814	-	-	-
Bank deposits	**30.786.239**	30.786.239			
Financial assets at fair value through the profit and loss account	**1.742.399.219**	700.722	135.340.462	37.612.296	1.568.745.738
Financial assets measured at fair value through other comprehensive income	**1.486.550.751**				1.486.550.751
Other financial assets	**17.439.803**	17.439.803	-	-	-
Total financial assets	**3.315.714.826**	**87.465.578**	**135.340.462**	**37.612.296**	**3.055.296.489**
Dividends to be paid	**10.042.310**	10.042.310	-	-	-
Loans	**16.311.778**	-		16.311.778	-
Lease liabilities	**5.250**	5.250		-	-
Other financial liabilities	**46.700.851**	46.700.851	-	-	-
Total financial liabilities	**73.060.189**	**56.748.411**	**-**	**16.311.778**	**-**
Excess liquidity	**3.242.654.637**	**30.717.167**	**135.340.462**	**21.300.518**	**3.055.296.489**

The share of immediately available liquidity (cash and cash equivalents) is increasing compared to the previous year. both in total and by each relevant category of due date/chargeability. as shown in the above table Liquidity risk remains heavily influenced by the liquidity of the local capital market. i.e. the ratio of the volume of the main listed holdings of the group to their average daily liquidity.

5.2 other risks

By the nature of the business. the group 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 Group is exposed are:

- the risk associated with taxation;
- the risk to the business environment;
- operational risk.

Risk management shall consider maximising the Group's profit in relation to the level of risk to which it is exposed.
The group 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 Group had to comply with EU regulations. and therefore prepared for applying the changes brought by European legislation. The group has implemented these changes. but the way they are implemented remains open to tax audit for 5 years
Interpretation of the texts and practical implementation of the procedures of the new tax rules applicable could vary. and there is a risk that in some cases the tax authorities will take a different position from that of the Group.
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 group chose to prescribe dividends distributed and not charged for 3 years by the shareholders and to register them in the account of other separate analytical reserves. 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 Group 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 Group may be subject to tax controls upon the issuance of new tax regulations.

(B) the risk associated with the economic environment

The Group's management 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 Group under the prevailing financial market conditions. by monitoring cash flows and the adequacy of investment policies.
Risk avoidance and mitigation shall be provided by the group through an investment policy that complies with the prudential rules required by applicable legal and regulatory provisions.
The Group has adopted risk management policies that achieve active risk management. with specific risk identification. assessment. measurement and control procedures in place that provide reasonable assurance as to the achievement of the Group'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 over the past 12 months and growing insecurity over the supply of products from the energy sector led to significant increases in oil and natural gas quotations in 2023. Aggressive measures 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 in the main 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 procedures. personnel. internal systems of the Group or from external events that may have an impact on its operations. Operational risks derive from all activities of the Group.
The objective of the group 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 shall focus on maintaining a sound capital base to support the continued development of the Group and the achievement of the Investment objectives.
The group's own equity includes share capital. different types of reserves and retained earnings. The capital was 4.050.348.420 on December 31. 2023 (lei 3.186.328.160 on December 31. 2022).

6 Significant accounting estimates and judgments

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 5).

Key sources of uncertainty of estimates

Significant accounting judgments for the implementation of the group's accounting policies include:

The application of the amendments to IFRS 10 Investment entities

The criteria in IFRS 10 for classification as an investment entity are 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 Group thus applies the IFRS 10 — Investment entities from the financial year 2018.

In addition. the parent has other characteristics specific to an investment entity. namely:

(a) Services related to investment

Sthe company is established as a self-managed investment company. authorized by the Financial Supervisory Authority as an alternative Investment Fund Manager (AIFM) and as an alternative Investment Fund for retail investors (F.I.A.). The parent company directly provides investment management services to its investors. with the main activity of which is the activities of closed-ended investment firms.

The parent company has significant investments in two subsidiaries. SAI Muntenia invest SA and real estate management SA. which provide investment services or activities. Thus. after the time when the company becomes an investment entity. Lion capital S.A. consolidates SAI Muntenia and real estate management SA. in accordance with IFRS 10 as of January 2018.

(b) The purpose of the activity

According to the articles of association. the purpose of the parent company is to carry on gainful (financial) activities specific to its object of activity and to obtain profits with a view to its distribution to shareholders and/or to financing financial investments. as permitted by the objects of the statutory activity and by the legal provisions in force.

The objective of the parent undertaking is the effective management of a diversified portfolio of quality assets capable of ensuring a steady flow of income. the preservation and growth of capital in the medium to long term with the aim of increasing the value of the shareholders and achieving the highest returns on the capital invested. provided that a reasonable level of risk dispersion is ensured. with the aim of giving its shareholders the opportunity to achieve attractive performance while increasing the capital invested.

The investment strategy of the parent company aims to maximize the performance of the portfolio in order to increase the value of the assets under management and investment income. The investment strategy and the annual investment program of the parent company approved by the General meeting of shareholders are public information. presented on the official website of the parent company and can be consulted by third parties. potential investors. to support the decision to invest in the company.

The parent also frequently monitors the structure and evolution of the investment portfolio and publishes the assets and liabilities statement on a monthly basis and publishes with quarterly/half-yearly/yearly reporting the assets statement.

(c) Exit strategies

Lion capital S.A. operates a complex portfolio composed of the following main categories of financial instruments: Shares. bonds and units. The parent company intends to retain the majority of its investments (financial and non-financial) for a defined period of time and for this purpose it has defined and implemented an exit strategy for them.
This is the total amount of technical provisions calculated as a whole (replicated as additional Tier 1 capital) for health (similar to non–life) business. The differentiated approach taken by the company for each of its participations aims at exploiting an aggregate return (generated by dividend and capital gains).

(d) Fair value measurement

Since 1 January 2018 the parent company has measured almost all the investments in its portfolio at fair value.
The parent owns property classified as "investments property" that are measured using the fair value model in IAS 40. The assessment is carried out by assessors authorized by the national Association of authorized assessors from Romania (ANEVAR).

(e) The effects of classifying the company as an investment entity

Since the parent became an investment entity. the company has accounted for the change in its status as a 'determined disposal' or a 'loss of control' over its subsidiaries as disclosed in the consolidated financial statements in accordance with IFRS. The fair value of the investment at the date of the change in status shall be used as consideration received when applying the requirements in IFRS 10. 'Gains or losses on financial assets and liabilities designated at fair value through profit or loss' shall include gains or losses on financial assets and liabilities designated at fair value through profit or loss by instrument at fair value through profit or loss.
The parent company measures all its subsidiaries at fair value through the profit or loss account. except FOR ITS subsidiaries Muntenia invest SA and the management of its real estate. which will continue to be consolidated. Thus. the company will prepare two sets of financial statements: *Separate and consolidated financial statements in accordance with the requirements of IFRS 10 and IAS 27*.
How investments in the parent's financial statements are presented as an investment entity will consider both the requirements of IFRS 10 and IFRS 9 for the classification and measurement of financial instruments held by the company. as follows:

i) investments in subsidiaries excluded from consolidation shall be measured at fair value through the profit or loss account in accordance with IFRS 9;

(ii) investments in subsidiaries (IAS Muntenia and AISA) included in the consolidation perimeter will be measured in accordance with IFRS 9 and measured at fair value through other comprehensive income.

(iii) investments in associates are measured at fair value through the profit or loss account in accordance with IFRS 9;

(iv) *investments in equity instruments (other than in subsidiaries and associates)* - at fair value through other comprehensive income;

v) investments in debt instruments (bonds) will be classified and measured in accordance *with* IFRS 9 after analyzing the business model and carrying out the SPI test:

- Government and corporate bonds – at fair value through other comprehensive income. as a result of documenting *the* hold *to collect & sell* business model and passing the SPI test;
- Corporate bonds issued by subsidiaries and associates — at fair value through the profit or loss account. which are treated in a consistent manner with the method for measuring subsidiaries and associates. following the requirements of IFRS 10 paragraph 31 and the business model of the company. in line with the exit strategy for those investments; and
- Corporate bonds other than those issued by subsidiaries and associates - at amortized cost. consistent with those detailed in Section B.1. point iv) "*investments in debt instruments (bonds)*".

(vi) investments in units will be classified at fair value through the profit or loss account. which are ineligible for the irrevocable choice to present them in other changes in comprehensive income.

According to IFRS 9. even if investments in such instruments may be treated as equity investments for accounting purposes. they do not meet the definition of equity as required by IAS 32.

(f) Presentation of information

For each subsidiary which has not been consolidated in the financial statements. the parent undertaking shall disclose information on: The name of the subsidiary. the place of business and the percentage of ownership in the share capital.
Where the parent undertaking or one of its subsidiaries has provided financial or other support to a sheet which has not been consolidated in the financial statements (e.g. acquisitions of assets. financial instruments issued by that subsidiary). it shall provide information on the type and amount of support provided. i.e. the reasons for providing such support to the subsidiary.
The above information was presented in note 3.

Provisions for impairment of receivables

The valuation for impairment of receivables is conducted at an individual level and is based on the best estimate of the management of the present amount of cash flows expected to be received. For the estimation of these flows. the management shall make certain estimates of the financial situation of the counterparty. Each impaired asset is analyzed individually. The accuracy of the provisions depends on the estimation of future cash flows for specific counterparties.

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 4(d)(iii). For financial instruments that are rarely traded and for which there is no price transparency. fair value is less objective and is determined using different levels of estimates of liquidity. concentration. uncertainty of market factors. price assumptions and other risks affecting that financial instrument.
The group 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 Group is exposed is presented in Note 5.1(a)(I). which includes 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 group shall determine fair value using measurement techniques. Valuation techniques shall include net present value and discounted cash flow models.
For shares that do not have a quoted market price in an active market the Group shall use 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 and internal valuers using the strategy established by the management of the issuing company and valuation techniques including net present value techniques. the discounted cash flow method. the method of comparisons with similar instruments for which there is an observable market price. Evaluation technologies 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 impact of subsequent 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 Group's management analyzed the situation between the date of completion of the valuation reports and the date of 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 impact the fair values of holdings presented in these annual financial statements.

An analysis of the financial instruments. investments in real estate. assets held for sale and land and buildings recognized at fair value under the measurement method is presented in the table below:

31 december 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through the profit and loss account — shares	513.162.523	-	921.294.236	1.434.456.759
Financial assets at fair value through profit and loss account — fund units	-	395.732.790	-	395.732.790
Financial assets at fair value through profit and loss account — loans granted			52.034.667	52.034.667
Financial assets at fair value through profit and loss account — corporate bonds	-	-	38.185.926	38.313.018
Financial assets at fair value through other comprehensive income — shares	1.806.026.893	-	20.132.475	1.826.259.367
Financial assets at fair value through other comprehensive income — corporate bonds	-	-	-	-
Investments in real estate	-	-	33.745.945	33.745.945
Assets held for sale			64.940.084	64.940.084
Land and buildings	-		3.213.758	3.213.758
TOTAL	**2.319.189.416**	**395.732.790**	**1.133.547.091**	**3.848.469.297**

31 december 2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through the profit and loss account — shares	362.069.218	-	843.587.601	1.205.656.818
Financial assets at fair value through profit and loss account — fund units	363.088.921	-	-	363.088.921
Financial assets at fair value through profit and loss account — loans granted			135.340.462	135.340.462
Financial assets at fair value through profit and loss account — corporate bonds	38. 313.018	-	-	38.313.018
Financial assets at fair value through other comprehensive income — shares	1.468.597.487	-	17.953.265	1.486.550.752
Financial assets at fair value through other comprehensive income — corporate bonds	-	-	-	-
Investments in real estate	-	-	31.210.877	31.210.877
Assets held for sale			46.792.387	46.792.387
Land and buildings			3.342.887	3.342.887
TOTAL	**2.232.068.644**	**-**	**1.078.227.479**	**3.310.296.123**

In 2023. there were the following transfers between fair value levels:

	Level 1	Level 2	Level 3
Book value as at 1 January 2023	**401.401.939**	**-**	**-**
Transfers to level 2	(363.088.921)	363.088.921	-
Transfers to level 3	(38.313.018)	-	38.313.018
Gains or losses on the period included in profit or loss	-	32.643.869	-
Acquisitions/share capital participation	-	-	-
Sales	-	-	-
Book value as at 31 December 2023	**-**	**395.732.790**	**38.313.018**

At level 2 s-they transferred the holdings in ASSETS PLUS (alternative private equity Investment Fund). OPTIMINVEST (alternative private equity Investment Fund). STAR VALUE. CESTINVEST SHARES. ROMANIA STRATEGY FUND (Alternative closed-end Investment Fund). PLUS invest – Muntenia (open Investment Fund) and at level 3 the Vrancart bond was transferred.

The following table shows the reconciliation from the original balance to the final balance for financial assets measured at fair value. investments in real estate and assets held for sale. 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**	**Assets held for sale**
Balance as at 1 January 2023	**17.953.265**	**843.587.600**	**31.210.876**	**46.792.387**
(Gains) or losses recognized in:				
profit and loss account	-	99.186.419	16.533.768	-
other comprehensive income	4.538.494	-	-	-
Purchases/entries	-	18.843.009	-	-
The value of the disposed participations	(2.359.284)	(40.322.793)	-	-
Transferred to assets held for sale	-	-	(13.998.699)	18.147.697
Balance as at 31 December 2023	**20.132.475**	**921.294.236**	**33.745.945**	**64.940.084**

2022	**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**	**Assets held for sale**
Balance as at 1 January 2022	**14.208.358**	**790.642.015**	**30.840.715**	**45.522.520**
(Gains) or losses recognized in:				
profit and loss account	-	80.130.130	352.346	-
other comprehensive income	5.961.067	-	-	-
Purchases/entries	-	30.005	17.816	1.269.867
The value of the disposed participations	(2.216.160)	(27.214.550)	-	-
Balance as at 31 December 2022	**17.953.265**	**843.587.600**	**31.210.876**	**46.792.387**

While the group considers its own estimates of fair value to be appropriate. the use of other methods or assumptions could lead to different fair value values. For fair values recognized from using a significant number of unobservable inputs (level 3). changing one or more assumptions to make alternative assumptions possible would have an effect on overall income and current income.
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	-
Decrease EBITDA by 5%	(5.468.663)	-
Increase WACC by 5%	6.751.960	-
Decrease WACC by 5%	(5.886.971)	-

(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	-
Reduction of assets by 5%	(33.684.446)	-
Increase of debts by 5%	(2.806.894)	-
Debt write down by 5%	2.779.780	-

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 30.499.469).

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%	1.070.899
Income reduction by 5%	(1.071.458)
Increase market value by 5%	1.387.165
Decrease of market value 5%	(1.387.165)

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 Group's accounting policies provide the basis for the assets and liabilities to be assigned. at the initial time. to different accounting categories. For the classification of assets and liabilities at fair value through the profit and loss account. the Group determined that one or more of the criteria listed in Note 4(d)(I) were met.
The details of the classification of the Group's financial assets and liabilities are set out in note 7.

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. In this series of projected cash flow. a market-derived capitalization rate is applied to determine the current amount of cash income associated with the property.
The specific revenues and the specific timing of entries and exits are determined by events such as rental revision. renewal of the lease and related rental periods. re-rental. re-arrangement 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 Group obtained valuation reports on its investments in real estate. The fair value of the investment property is based on these measurements. The group's real estate investments are classified as level 3 of the fair value hierarchy defined in IFRS 13.
For all investment property. the current usage is equivalent to the highest and best use. The group shall review independant evaluators' assessments for financial and reporting purposes.
The Group's real estate investments are 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 and 2022 is given in the tables below:

31 december 2023

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%

31 december 2022

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%

7 Financial assets and liabilities

The table below summarizes the accounting and fair values of the group's financial assets and liabilities as at 31 December 2023:

In ROL	**Fair value assets through the profit and loss account**	**Fair value assets through other comprehensive income**	**Financial assets/liabilities measured at amortized cost**	**Total book value**	**Fair value**
Cash and cash equivalents			**417.878.500**	**417.878.500**	**417.878.500**
Cash in cash and other amounts			5.701	5.701	5.701
Current accounts with banks			10.218.777	10.218.777	10.218.777
Bank deposits with original maturity of less than 3 months			407.654.022	407.654.022	407.654.022
Bank deposits			**19.674.562**	**19.674.562**	**19.674.562**
Financial assets at fair value through profit account and loss	**1.920.410.142**		-	**1.920.410.142**	**1.920.410.142**
Shares	1.434.456.758			1.434.456.758	1.434.456.758
Fund units	395.732.790			395.732.790	395.732.790
Loans granted	52.034.667			52.034.667	52.034.667
Corporate bonds	38.185.926			38.185.926	38.185.926
Financial assets measured at fair value through other comprehensive income		**1.826.159.366**	-	**1.826.159.366**	**1.826.159.366**
Shares		1.826.259.366		1.826.159.366	1.826.159.366
Corporate bonds					
Other financial assets			**37.869.832**	**37.869.832**	**37.869.832**
Total financial assets	**1.920.410.142**	**1.826.259.366**	**475.422.894**	**4.221.992.402**	**4.221.992.402**
Dividends to be paid			9.886.856	9.886.856	9.886.856
Loans			-	-	-
Lease liabilities			-	-	-
Other financial liabilities			17.386.795	17.386.795	17.386.795
Total financial liabilities			**27.273.651**	**27.273.651**	**27.273.651**

The table below summarizes the accounting and fair values of the group's financial assets and liabilities as at 31 December 2022:

In ROL	Fair value assets through the profit and loss account	Fair value assets through other comprehensive income	Financial assets/liabilities measured at amortized cost	Total book value	Fair value
Cash and cash equivalents			**38.538.814**	**38.538.814**	**38.538.814**
Cash in cash and other amounts			9.686	9.686	9.686
Current accounts with banks			28.881.950	28.881.950	28.881.950
Bank deposits with original maturity of less than 3 months			9.647.178	9.647.178	9.647.178
Bank deposits			**30.786.239**	**30.786.239**	**30.786.239**
Financial assets at fair value through profit account and loss	**1.742.399.219**		-	**1.742.399.219**	**1.742.399.219**
Shares	1.205.656.818			1.205.656.818	1.205.656.818
Fund units	363.088.921			363.088.921	363.088.921
Loans granted	135.340.462			135.340.462	135.340.462
Corporate bonds	38.313.018			38.313.018	38.313.018
Financial assets measured at fair value through other comprehensive income		**1.486.550.751**	-	**1.486.550.751**	**1.486.550.751**
Shares		1.486.550.751		1.486.550.751	1.486.550.751
Corporate bonds					
Other financial assets			**16.079.974**	**16.079.974**	**16.079.974**
Total financial assets	**1.742.399.219**	**1.486.550.751**	**85.405.027**	**3.314.354.997**	**3.314.354.997**
Dividends to be paid			10.042.310	10.042.310	10.042.310
Loans			16.311.778	16.311.778	16.311.778
Lease liabilities			5.250	5.250	5.250
Other financial liabilities			46.700.851	46.700.851	46.700.851
Total financial liabilities			**73.060.189**	**73.060.189**	**73.060.189**

8 Income from dividends

In accordance with IFRS 9. and as a result of the group's choice to measure participations through other comprehensive income. dividends related to those participations are recognized in the income unless they represent substantially a return on the cost of the investment.
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 december 2023**	**31 december 2022**	**Assessment**
BRD-GSG SA	-	50.396.401	FVOCI
Banca Transilvania SA*	43.109.795	38.214.355	FVOCI
OMV Petrom SA	29.294.199	15.492.985	FVOCI
PLC real estate SIF	12.031.798	11.959.387	FLTPL
Biofarm SA	10.862.898	8.690.318	FLTPL
Erste Group Bank AG*	7.503.480	7.916.320	FVOCI
Iamu SA	3.861.240	4.985.279	FLTPL
Conpet SA	3.868.165	4.098.765	FVOCI
Vrancart SA	9.086.15	3.816.173	FLTPL
Azuga SA	763.276	989.355	FLTPL
SIF Oltenia SA/infinity capital SA	-	774.050	FVOCI
Bucharest stock Exchange SA	530.461	393.883	FVOCI
Other	1.003.977	410.943	FVOCI
Other	-	53.396	FLTPL
Total	**121.915.413**	**148.191.611**	
FVOCI	85.310.077	117.697.703	
FLTPL	36.605.336	30.493.908	

***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*

9. Interest income

Interest income (amortized cost assets, fair value assets through other comprehensive income)

In ROL	**31 december 2023**	**31 december 2022**
Interest income on bank deposits and current accounts	7.941.984	4.591.569
Interest income on assets measured by other comprehensive income (government bonds and corporate bonds)	-	287.071
	7.941.984	**4.878.640**

Interest income (assets at fair value through profit or loss)

In ROL	**31 december 2023**	**31 december 2022**
Interest income on bonds	3.252.690	2.766.775
Interest income related to the share sale contract*	611.369	1.847.444
Interest income related to loan contract	5.836.750	1.419.814
	9.700.808	**6.034.033**

**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.*

10. Other operating income

In ROL	**31 december 2023**	**31 december 2022**
Income from management activity (SAI Muntenia and real estate management SA)	52.281.508	32.050.257
Rental income	227.029	32.818
Other operating income	785.141	19.729
	53.293.677	**32.102.805**

Income was captured in accordance with the requirements of IFRS 15 relating to the identification of the contract. performance obligations. price determination and its allocation to performance obligations and income recognition when those obligations are met.

11. Gain/loss on investments in real estate

	31 december 2023	**31 december 2022**
Balance 1 January	**31.210.877**	**30.840.716**
Inputs. of which:	-	17.815
Procurement	-	17.815
In progress		
Transferred to tangible assets and inventory		
Transferred from fixed assets in progress		
Transfer to assets held for sale	(13.998.699)	-
Outputs	-	-
The effect of the change in fair value	16.533.768	352.346
Balance end of period	**33.745.945**	**31.210.877**

The change in fair value at 31 December 2023 at group level is favorable. influenced by increases in the fair value of investments in real estate by both parent and subsidiaries.
The assessment on 31 December 2023 and 2022 was carried out by assessors authorized by the national Association of authorized assessors of Romania (ANEVAR).

12. Profit/loss on financial assets at fair value through the profit and loss account

In ROL	**31 december 2023**	**31 december 2022**
Gain/(loss) from the valuation/disposal of the fund units	72.606.345	(6.240.951)
Valuation gain/loss (Vrancart)	-	-
Gain/loss on the measurement of shares in subsidiaries and associates	221.674.497	(41.164.800)
Total	**294.280.842**	**(47.405.752)**

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.

13. 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 for transactions	291.813	6.545
Fees register	260.979	193.365
Other commissions	66.594	60.718
Total	**5.068.294**	**4.350.043**

14. Other operational expenditure

In ROL	**2023**	**2022**
Other taxes. duties and similar charges	941.844	720.614
Expenditure on salaries and other staff expenditure	29.436.948	27.452.327
Depreciation charges	914.001	969.602
Expenditure on external benefits	7.764.116	6.267.906
Total	**39.056.909**	**35.410.450**

Expenditure on salaries and other personnel costs is detailed as follows:

	2023	2022
Wages and salaries	25.653.352	24.172.200
Stock option plan expense	2.315.317	2.000.537
This appropriation is intended to cover the cost of the purchase. purchase. or	781.171	739.766
Other staff expenditure	687.108	539.824
Total	**29.436.948**	**27.452.327**

The fee paid to the auditors during 2023 for the audit of the financial statements was lei 426.864 (lei 2022: 398.528). of which for the audit of the individual financial statements (parent company and subsidiaries) lei 331.512 (lei 2022: Lei 295.276). for the consolidated financial statements lei 60.041 (2022: 93.406 lei). additional expenses 35.312 lei (2022: 9.846 lei) and for non audit services 0 lei (2022: 24.645 lei).

15. Income tax

	2023	2022
Current income tax (16%)	20.658.373	2.958.080
Income tax (1%)	-	40.600
Dividend tax (0%. 5%)	8.287.516	7.661.233
Financial assets at fair value through other comprehensive income	-	-
Financial assets at fair value through the profit and loss account	-	-
Tangible assets/real estate investments	(2.031.661)	52.259
Provisions for risks and expenses and adjustments on receivables & inventories	(142.656)	(81.888)
Total income tax recognized as a result of the year	**26.771.572**	**10.630.283**

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

	2023	2022
Profit before tax	**459.671.201**	**104.172.540**
Tax according to statutory tax rate	73.547.392	16.692.660
Effect on corporate tax of:		
Dividend tax (0%. 5%)	8.287.516	7.661.233
Non-deductible expenses and similar items	12.276.892	31.799.549
Non-taxable income	(65.444.202)	(46.653.113)
Similar items to income	28.306.377	32.838
Similar items to expenses	(1.189.926)	(267.290)
Tax loss to be recovered	(1.614.775)	1.869.630
Deferred tax	(2.174.317)	(29.629)
The amounts of sponsorship within legal limits and other deductions	(1.051.513)	(648.612)
Tax recognized in retained earnings	(24.171.871)	173.018
Income tax	**26.771.572**	**10.630.283**

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).

16. Cash and cash equivalents

In ROL	**31 december 2023**	**31 december 2022**
Cash in cash and other amounts	5.701	9.686
Current accounts with banks (including interest receivable)	10.218.777	28.881.950
Deposits with banks with original maturity of less than 3 months	407.654.022	9.647.178
Total cash and cash equivalents	**417.878.500**	**38.538.814**

Current accounts with banks and bank deposits are at all times available to the Group and are not restricted.
The cash and cash equivalent are not overdue and not impaired.

17. Bank deposits

In ROL	**31 december 2023**	**31 december 2022**
Deposits with banks with original maturity over 3 months	19.527.751	30.530.436
Interest on deposits	146.811	255.804
Total	**19.674.562**	**30.786.239**

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

In ROL	**31 december 2023**	**31 december 2022**
Shares measured at fair value	1.434.456.758	1.205.656.817
Units measured at fair value	395.732.790	363.088.921
Loan to a subsidiary (including interest attached)	52.034.667	135.340.462
Corporate bonds (including interest attached)	38.185.926	38.313.018
Total	**1.920.410.142**	**1.742.399.219**

The shares measured at fair value through the profit and loss account include subsidiaries (non-consolidated) of lei 1.136.089.171 (lei 2022: Lei 982.605.320) and associates 298.367.587 lei (lei 2022: 223.051.497lei).

The fair value of investments in subsidiaries is shown below:

	31 december 2023	31 december 2022
Measured at fair value through the profit and loss account		
SIF REAL ESTATE PLC NICOSIA	429.656.276	368.402.889
SIF1 IMGB SA BUCHAREST	256.400.000	244.109.730
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	-	38.903.269
VRANCART SA	214.794.935	139.017.720
SIF SPV TWO SA BUCHAREST	6.068.237	11.822.976
UNITEH SA BUCHAREST	625.333	362.130
SIFI CJ LOGISTIC SA BUCHAREST	1.327.606	2.097.346
Total	**1.136.088.505**	**982.605.020**

Statement of investment funds in which units are held:

	31 december 2023	31 december 2022
Active Plus Closed Investment Fund	203.771.710	196.066.411
Optim Invest Closed Investment Fund	41.814.001	39.149.474
Star Value Closed-End Investment Fund	11.447.729	10.206.959
Alternative Investment Fund Certinvest Actiuni	98.972.942	82.421.152
Alternative Investment Fund Romania Strategy Fund	39.539.760	35.095.800
Open-End Investment Fund Plus Invest-Muntenia	186.649	149.124
Total	**395.732.790**	**363.088.921**

The movement of financial assets measured at fair value through the profit and loss account in the year 2023 is shown below:

In ROL	Shares	Fund units	Loans granted	Corporate bonds	Total
1 january 2023	**1.205.656.817**	**363.088.921**	**135.340.462**	**38.313.019**	**1.742.399.219**
Procurement	18.842.890	-	-	-	18.842.890
Sales	(49.553.410)	-	(86.065.648)	-	(135.619.058)
Change in interest receivable	-	-	2.411.396	(127.092)	2.284.304
Change in fair value	259.510.461	32.643.869	348.455	-	292.502.786
31 december 2023	**1.434.456.758**	**395.732.790**	**52.034.666**	**38.185.926**	**1.920.410.140**

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 below:

In ROL	Shares	Fund units	Loans granted	Corporate bonds	Total
1 january 2022	**1.273.328.059**	**369.329.872**	**-**	**37.907.699**	**1.680.565.630**
Procurement	687.468	-	133.000.000	-	133.687.468
Sales	(27.193.910)	-	-	-	(27.193.910)
Change in interest receivable	-	-	1.421.122	405.320	1.826.442
Change in fair value	(41.164.800)	(6.240.951)	919.339	-	(46.486.412)
31 december 2022	**1.205.656.817**	**363.088.921**	**135.340.462**	**38.313.019**	**1.742.399.219**

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 holding in Gaz Vest SA. sold in full at the sales value of lei 27.193.910.
The sum of lei 133 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

The hierarchy analysis of the fair value of financial instruments

31 december 2023

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:	**941.426.711**					**Standard values**	**Lime vs standard value**	**Standard values**	**Lime vs standard value**	
non-listed or no active market majority ownership	**227.216.118**	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	**694.087.129**	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
	4.384.134	approach by market comparisons	similar transactions with company shares or comparable companies							
	15.739.331	net asset-adjusted approach	annual and half-yearly historical financial statements		Discount: Lack of liquidity. minority package. low profitability					
Total	**941.426.711**									

31 december 2022

Financial assets	Fair value at 31 December 2022	Assessment technique	Input data used		Unobservable inputs	Weighted average cost of capital		Capitalization rate		The relationship between unobservable inputs and fair value—sensitivity
Financial investments. dd.c:	**861.540.565**					**Standard values**	**Variations from standard values**	**Standard values**	**Variations from standard values**	
non-listed or no active market majority ownership	**177.888.960**	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 increased revenues and/or lower costs and lower wacc leads to higher fair value and vice versa leads to lower fair value
non-listed or no active market majority ownership	**626.795.072**	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 investments in real estate. valued values that have a major influence on the net asset			*8% to 11% for the valuation of fixed assets (these are majority shares 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-listed majority ownership and investments in associates valued by sale value (ongoing contracts)	**38.903.269**	Equity disposal contract in the entity being measured — transactions not completed at 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	the sale of the share package held after the balance sheet date as a relevant indication of fair value							

31 december 2022

	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		discounts for liquidity shortage. minority package and low profitability					
Total	**861.540.565**									

19. Financial assets measured at fair value through other comprehensive income (shares)

The fair value of the shares for which the Group selected the option to reflect fair value accounting through other income on 31 December 2023 and 31 December 2022 is shown below. structured around the main sectors of economic activity. The group has chosen. at the time of transition to IFRS 9 that is at the time of initial recognition of new acquisitions. such disclosures required by IFRS 9. provided that this option is consistent with the Group's investment strategy and horizon for these investments.

In ROL	**31 december 2023**	**%**	**31 december 2022**	**%**
Financial intermediation and insurance	1.464.763.687	80,2%	1.231.384.286	82,8%
Manufacturing	9.290.036	0,5%	24.312.175	1,6%
Hotels and restaurants	62.912.186	3,4%	31.286.994	2,1%
Wholesale and retail trade. repair of motor vehicles	230.430	0,0%	257.68 8	0,0%
Production and supply of energy. gas. water	28.800.000	0,9%	-	-
Mining and quarrying	203.994.153	11,2%	149.134.107	1,3%
Other activities	-	0,0%	701.349	0,0%
Financial services applicable to real estate	5.707.100	0,3%	7.812.000	0,5%
Construction	4.377.211	0,2%	3.277.721	0,2%
Transport and storage	46.044.950	2,5%	38.232.508	2,6%
Agriculture. forestry and fishing	39.615	0,0%	151.925	0,0%
TOTAL	**1.826.159.366**	**100,0%**	**1.486.550.751**	**100,0%**

Dividend income on shares measured at fair value through other comprehensive income is presented separately in Note 8.

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

	Shares*
1 january 2023	**1.486.550.751**
Procurement	23.748.220
Sales	(183.810.181)
Change in fair value	499.670.577
31 december 2023	**1.826.159.366**

The option to measure fair value through other comprehensive income was exercised at initial recognition or at the date of transition to IFRS 9

The stock entries in 2023. in a total amount of lei 23.7 Mn mainly include the acquisition of shares GRAND HOTEL BUCHAREST SA Bucharest and SpEEH HIDROELECTRICA SA.
The share sales of lei 183.8 Mn mainly include the sale of the shares of Erste Group Bank AG that generated a gain of 1.436.069 lei.

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	**1.421.724.976**	**5.283.259**
Procurement	357.288.563	
Sales	(3.213.710)	(5.164.320)
Change in interest receivable	-	(9.822)
Change in fair value	(289.249.077)	(109.118)
31 december 2022	**1.486.550.751**	**-**

The option to measure fair value through other comprehensive income was exercised at initial recognition or at the date of transition to IFRS 9
**SPI tested and recognized as held for collection and sale

The stock entries in 2022. in total amount of lei 357.3 Mn include mainly the acquisition of shares SIF Muntenia. OMV Petrom. CH Intercontinental SA (current Grand Hotel Bucharest SA). SIF Oltenia (current infinity capital SA) 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 the impact bonds received at maturity (December 2022).

Changes in the fair value of financial assets measured through other comprehensive income

In ROL	**2023**	**2022**
On 1 January	**662.131.924**	**910.357.994**
Gains/losses on fair value measurement of financial assets measured at fair value through other comprehensive income	499.670.577	(289.327.009)
Profit/loss transferred to retained earnings on financial assets measured at fair value through other comprehensive income out of the portfolio	(106.766.363)	(2.119.796)
The related deferred income tax effect	(52.526.852)	43.220.735
On 31 December	**1.002.509.286**	**662.131.924**

20. Other financial assets

In ROL

	31 december 2023	31 december 2022
Trade receivables - net	35.887.200	2.546.511
VAT to be recovered	914.953	1.086.970
Advances to suppliers	100.091	131.237
Other claims — net	967.589	12.315.255
Total	**37.869.832**	**16.079.974**

21. Assets held for sale

In ROL	31 december 2023	31 december 2022
Period beginning balance	**46.792.387**	**45.522.520**
Inputs. of which:	-	1.269.867
Purchases/facilities	-	1.269.867
Transfer from / (to) assets available for sale	18.147.697	-
Outputs	-	-
Effect of change in fair value	-	-
Balance end of period	**64.940.084**	**46.792.387**

On 31 December 2023 and 2022 a subsidiary of the Group had land available for sale.

22. Tangible assets

In ROL	Land and buildings	Technical installations and machinery	Other equipment. machinery and furniture	Total
Cost				
On 1 January 2023	3.734.817	3.611.982	3.740.632	11.087.432
Revaluation				-
Purchases/entries	-	435.417	37.318	472.734
Outputs	-	(399.428)	(28.468)	(427.896)
On 31 December 2023	**3.734.817**	**3.647.971**	**3.749.482**	**11.132.270**
Accumulated depreciation and impairment losses				
On 1 January 2023	391.930	2.887.607	1.112.654	4.392.191
Write-off related to revaluation				-
Depreciation expense	129.128	303.644	437.056	869.828
Outputs		(317.506)	(28.468)	(345.974)
On 31 December 2023	**521.059**	**2.873.744**	**1.521.242**	**4.916.044**
Net book value				
On 1 January 2023	**3.342.887**	**724.376**	**2.627.979**	**6.695.241**
On 31 December 2023	**3.213.758**	**774.227**	**2.228.240**	**6.216.226**

In ROL	**Land and buildings**	**Technical installations and machinery**	**Other equipment. machinery and furniture**	**Total**
Cost				
On 1 January 2022	3.734.817	3.279.130	3.323.214	10.337.161
Revaluation	-	-	-	-
Purchases/entries	-	370.948	450.688	821.636
Outputs	-	(38.096)	(33.270)	(71.366)
On 31 December 2022	**3.734.817**	**3.611.982**	**3.740.632**	**11.087.432**
Accumulated depreciation and impairment losses				
On 1 January 2022	262.240	2.541.768	712.538	3.516.546
Write-off related to revaluation				
Depreciation expense	129.691	383.617	433.385	946.693
Outputs		(37.778)	(33.270)	(71.048)
On 31 December 2022	**391.930**	**2.887.607**	**1.112.654**	**4.392.191**
Net book value				
On 1 January 2022	**3.472.577**	**737.363**	**2.610.676**	**6.820.615**
On 31 December 2022	**3.342.887**	**724.376**	**2.627.979**	**6.695.240**

The last revaluation of tangible assets of land and buildings was carried out on 31 December 2019 by the internal valuer.

23. Other financial liabilities

In ROL	**31 december 2023**	**31 december 2022**
Commercial debts	12.985.659	1.200.954
Amounts owed to employees and related contributions	3.589.692	3.433.640
Taxes and duties	1.088	414.346
Other liabilities - short term	810.355	41.651.911
Total	**17.386.795**	**46.700.851**

24. Deferred income tax liabilities

The assets and liabilities related to tax deferred on 31 December 2023 are generated by the items detailed in the following table:

	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	-	7.193.732	(7.193.732)
Asset value adjustments	-	-	-
Provisions for risks and charges	-	(3.766.902)	3.766.902
Total		**1.131.423.401**	**(1.131.423.401)**
Deferred tax liabilities			
Net temporary differences - 16% share			(181.027.745)
Net temporary differences - 10% share			
Deferred tax liabilities			**(181.027.745)**

The assets and liabilities related to tax deferred on 31 December 2022 are generated by the items detailed in the following table:

	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	-	19.444.030	(19.444.030)
Asset value adjustments	-	(15.179)	15.179
Provisions for risks and charges	-	(2.840.997)	2.840.997
Total		**856.432.450**	**(856.432.450)**
Deferred tax liabilities			
Net temporary differences - 16% share			(137.029.193)
Net temporary differences - 10% share			
Deferred tax liabilities			**(137.029.193)**

Movements in the years of the deferred tax liability are shown below:

	Value
Deferred tax liability 1 January 2022	**180.597.407**
Tax with an impact on the profit and loss account	(159.491)
Impact asset valuation reserves measured by other comprehensive income	(43.408.724)
Deferred tax liability 31 December 2022	**137.029.193**
Tax with an impact on the profit and loss account	(2.102.285)
Impact asset valuation reserves measured by other comprehensive income	46.100.838
Deferred tax liability 31 December 2023	**181.027.745**

Deferred income tax liability movements table:

	Article 01 01/2023	Gains/losses on the profit and loss acco unt	Increases/decre ases in other comprehe nsive income	Article 31 12/2023
Financial assets at fair value through other comprehensive income	134.375.136		46.104.316	180.479.451
Tangible assets and investments in real estate	3.111.045	(1.956.569)	(3.478)	1.150.998
Provisions	(460.048)	(142.656)	-	(602.704)
Other assets	3.060	(3.060)	-	-
	137.029.193	**(2.102.285)**	**46.100.838**	**181.027.745**

	Article 01 01/2022	Gains/losses on the profit and loss account	Increases/decreases in other comprehensive income	Article 31 12/2022
Financial assets at fair value through other comprehensive income	177.780.380		(43.405.244)	134.375.136
Tangible assets and investments in real estate	3.192.049	(77.525)	(3.480)	3.111.045
Provisions	(378.159)	(81.888)		(460.048)
Other assets	3.137	(78)		3.060
	180.597.407	**(159.491)**	**(43.408.724)**	**137.029.193**

25. Loans

	31 december 2023	31 december 2022
Long-term		
Loans	-	16.311.778
Total long-term loans	**-**	**16.311.778**

The fair value of the loans is equal to their book value.

The breakdown of the Group's loans by currency is as follows:

Currency	31 december 2023	31 december 2022
EUR (lei equivalent)	-	1.154.778
RON	-	15.157.000
Total	**-**	**16.311.778**

26. 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 2023. 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 RON	**31 december 2023**	**31 december 2022**
Share capital	50.751.006	50.751.006
Total	**50.751.006**	**50.751.006**

(B) retained earnings

In RON	**31 december 2023**	**31 december 2022**
Retained earnings from the transition to IAS and IFRS	422.323.709	422.323.709
Retained earnings from the transition to IAS and IFRS	401.889.895	312.836.518
Profit or loss for the financial year	432.815.498	93.539.352
Other recognized amounts in retained earnings (statutory reserves. revaluation reserves. tangible assets. etc.)	27.011.313	27.038.177
Total	**1.284.040.414**	**855.737.756**

(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	**1.699.567.035**	**1.604.099.887**

The initial portfolio reserve was formed following the application of Law No 133/1996. as the difference between the value of the portfolio contributed and the value of the share capital subscribed to Lion capital S.A. 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 11.106.413 (December 31. 2022: Lei 10.410.602).
Legal reserves may not be distributed to shareholders.

(E) differences in fair value of financial assets measured by other comprehensive income

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 24.
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**
Differences in changes in fair value for financial assets measured through other comprehensive income (bonds)	-	-
Changes in fair value for financial assets measured through other comprehensive income (shares)	1.002.509.286	662.131.924
Total	**1.002.509.286**	**662.131.924**

(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.

27. Report by segment

In 2023 and 2022 the group operated in one segment. namely the financial activity.
The activity of 3 companies was included in the financial activity (2022: 3).

28. Commitments and contingent liabilities

a) ***Legal proceedings***

The group is the subject of a number of court actions resulting in the normal course of business. The management considers that these actions will not have a significant effect on the economic performance and consolidated financial position.

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 and/or customs value of the imported goods are not distorted by the effect of the prices charged in the related person relationships. The group cannot quantify the result of such verification.

c) ***Other commitments***

On 31 December 2023 and 31 December 2022. the Group has no loans obtained from banks for which the banks requested collateral in the form of mortgages on immovable property (land. buildings) and securities on receivables. stocks and cash.

29. Related party transactions

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 group 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 the directors of the parent company and subsidiaries amounted to lei 13.942 thousand (2022: Lei 12.929 thousand).

The group did not receive or grant any guarantee to any related party.

The following transactions were carried out with related parties:

(a) Income from dividends

	2023	2022
PLC real estate SIF	12.031.798	11.959.387
Azuga Tourism SA	763.276	989.355
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	**37.520.701**	**30.440.512**

(b) Interest income

	2023	2022
VRANCART SA — bonds	3.252.690	2.766.775
SIF SPV TWO SA	5.836.749	1.419.814
Total	**9.089.439**	**4.186.588**

(c) Non-current accounts receivable

	2023	2022
VRANCART SA — bonds	37.612.296	37.612.296
VRANCART SA - interest receivable	573.630	700.722
SIF SPV TWO SA — main loan	50.050.280	133.915.653
SIF SPV TWO SA — interest receivable	1.984.386	1.424.809
Gas West SA – dividend receivable	-	2.607.914
Total	**90.220.593**	**176.261.394**

The following operations were carried out during 2023 with subsidiaries not included in the consolidation:

- 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 the purchase of 1.884.289 shares. the value of the transaction being lei 18.842.890;
- 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 during 2022 with subsidiaries not included in the consolidation:

- 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 – the sale of the entire stake held in 2022. the value of the transaction being lei 27.2 million
- Grand Hotel Bucharest SA – increase of its stake from 13.67% to 29.99%
- SIF1 IMGB SA – acquisition of 12.002 shares by real estate administration S.A.

30. 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).