



**LION CAPITAL**

# **QUARTERLY REPORT**

— AS OF SEPTEMBER 30, 2023 —

prepared pursuant to the provisions of  
Law no. 24/2017, Law no. 74/2015, Law no. 243/2019,  
ASF Regulation no. 10/2015, ASF Regulation no. 7/2020,  
ASF Regulation no. 5/2018, and ASF Norm no. 39/2015  
*this report is provided as a free translation from Romanian, which is  
the official and binding document*

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## 1. GENERAL INFORMATION

CORPORATE NAME	<b>Lion Capital S.A.</b> (hereinafter referred to as “Lion Capital”, “the Fund” or “the Company”) <i>the new corporate name starting March 24, 2023, of SIF Banat-Crișana S.A.</i>
COMPANY TYPE	<ul style="list-style-type: none"> <li>▪ joint stock company, Romanian legal entity</li> <li>▪ 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</li> </ul>
SHARE CAPITAL	<ul style="list-style-type: none"> <li>▪ RON 50,751,005.60 – subscribed and paid-up capital</li> <li>▪ 507,510,056 shares issued; 506,520,056 outstanding as of 30.09.2023</li> <li>▪ RON 0.10 per share nominal value</li> </ul>
REGISTRATIONS	<ul style="list-style-type: none"> <li>▪ Number in Trade Register J02/1898/1992</li> <li>▪ Tax Identification Code RO 2761040</li> <li>▪ Number in ASF AFIAA Register PJR07.1AFIAA / 020007 / 09.03.2018</li> <li>▪ Number in ASF FIAIR Register PJR09FIAIR / 020004 / 01.07.2021</li> <li>▪ Legal Entity Identifier (LEI) 254900GAQ2XT8DPA7274</li> </ul>
MAIN ACTIVITY	<p>Main activity is, as per the classification of economic activities in the national economy (NACE): 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):</p> <ul style="list-style-type: none"> <li>▪ portfolio management</li> <li>▪ risk management</li> <li>▪ other activities carried out within the collective management of an investment fund, allowed by the legislation in force</li> </ul>
TRADING MARKET	The company is listed since November 1, 1999, on the regulated market of Bucharest Stock Exchange (BVB) – Premium category Symbol <b>LION</b> (starting May 15, 2023; prior: SIF1)
FINANCIAL AUDITOR	<b>Deloitte Audit S.R.L.</b>
DEPOSITARY BANK	<b>Banca Comercială Română (BCR)</b>
SHARES AND SHAREHOLDERS' REGISTRY	<b>Depozitarul Central S.A. Bucharest</b>
HEADQUARTERS	<b>Arad</b> , 35A Calea Victoriei 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL office@lion-capital.ro WEB www.lion-capital.ro
BRANCH OFFICE	<b>Lion Capital Arad-Bucharest Branch-Rahmaninov</b> 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest

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## 2. MAIN FINANCIAL AND OPERATIONAL INFORMATION

<b>MAIN BALANCE SHEET ITEMS [RONm]</b>			
	<b>30.09.2022</b>	<b>31.12.2022</b>	<b>30.09.2023</b>
Total assets, of which	3,129.30	3,405.26	3,986.70
Total financial assets	3,094.11	3,374.95	3,904.96
Equity (own capital)	2,996.07	3,242.85	3,789.54
Total liabilities	133.23	162.41	197.16

<b>FINANCIAL PERFORMANCE [RONm]</b>			
	<b>30.09.2022</b>	<b>31.12.2022</b>	<b>30.09.2023</b>
Income	172.51	174.92	118.53
Gain/(Loss) on investment	(143.13)	(47.40)	152.90
Expenses	14.45	24.39	16.24
Gross profit / (Loss)	14.93	103.12	255.18
Net profit / (Loss)	7.27	95.47	242.93

<b>PERFORMANCE OF SHARES AND NET ASSET</b>			
	<b>30.09.2022</b>	<b>31.12.2022</b>	<b>30.09.2023</b>
Share price (end of period, RON)	2.4500	2.4300	2.5400
NAV/S* (RON)	5.8902	6.3817	7.5234
Accounting net asset / share (RON)	5.9035	6.3897	7.4815
Nominal value of share (RON)	0.1	0.1	0.1
Number of shares issued	515,422,363	507,510,056	507,510,056
Number of outstanding shares	507,510,056	507,510,056	506,520,056

\* calculated acc. to ASF regulations

<b>OPERATIONAL DATA</b>			
	<b>30.09.2022</b>	<b>31.12.2022</b>	<b>30.09.2023</b>
Number of permanent employees	32	32	31
Branch offices	1	1	1

<b>SHAREHOLDING STRUCTURE as of September 30, 2023</b>		
	number of shareholders	holdings
Romanian individuals	5,736,317	39.09%
Non-resident individuals	2,142	1.27%
Romanian legal entities	107	43.84%
Lion Capital*	1	0.19%
Non-resident legal entities	21	15.61%
<b>TOTAL</b>	<b>5,738,586</b>	<b>100%</b>

\* treasury shares, repurchased in 2023

### 3. PORTFOLIO AS OF SEPTEMBER 30, 2023

#### Investment objective and policy

Lion Capital's investment strategy on the long term aims to maximize the portfolio performance, to enhance the value of the assets under management and the investment income.

The Fund's objective is the efficient management of a diversified portfolio of quality assets, capable of providing a steady stream of income, preserving, and growing medium to long-term capital, with the aim of increasing value for shareholders and achieving optimal returns on invested capital.

Strategic asset allocations and occasional rebalancing are based on evaluations of existing holdings and investment opportunities, within the context of the current market and economic conditions.

Lion Capital's investments, as AIFRI, are exclusively carried out within the assets and limits regulated by *Law no. 243/2019 on the regulation of alternative investment funds and for amending and supplementing certain normative acts*.

Throughout Q3 2023 Lion Capital had under management a diversified portfolio, consisting of the following main categories of financial instruments: equities, bonds, and fund units. The Fund applies an exit strategy tailored to the specific nature of each investment, defined based on long-term investment strategy and objectives, as well as the conditions (triggering) of the exit transaction.

The individual approach to each participation aims to achieve an overall aggregate return, composed of both dividend income and capital gains.

Considering the shift in perception regarding the nature of inflation from transitory to persistent, we aim to maintain exposure to companies and/or financial instruments that benefit from such an environment.

The main directions of portfolio management are aligned with the objectives approved by shareholders, focusing on:

- calibration of the portfolio on financial assets / instruments that benefit from an inflationary context
- continuing portfolio restructuring by reducing minority interests that do not fit the Fund's investment strategy
- consolidation of strategic interest portfolio
- maintaining a diversified portfolio of assets under management
- implementing SFDR (Sustainable Finance Disclosure Regulation)
- strengthening the risk management system.

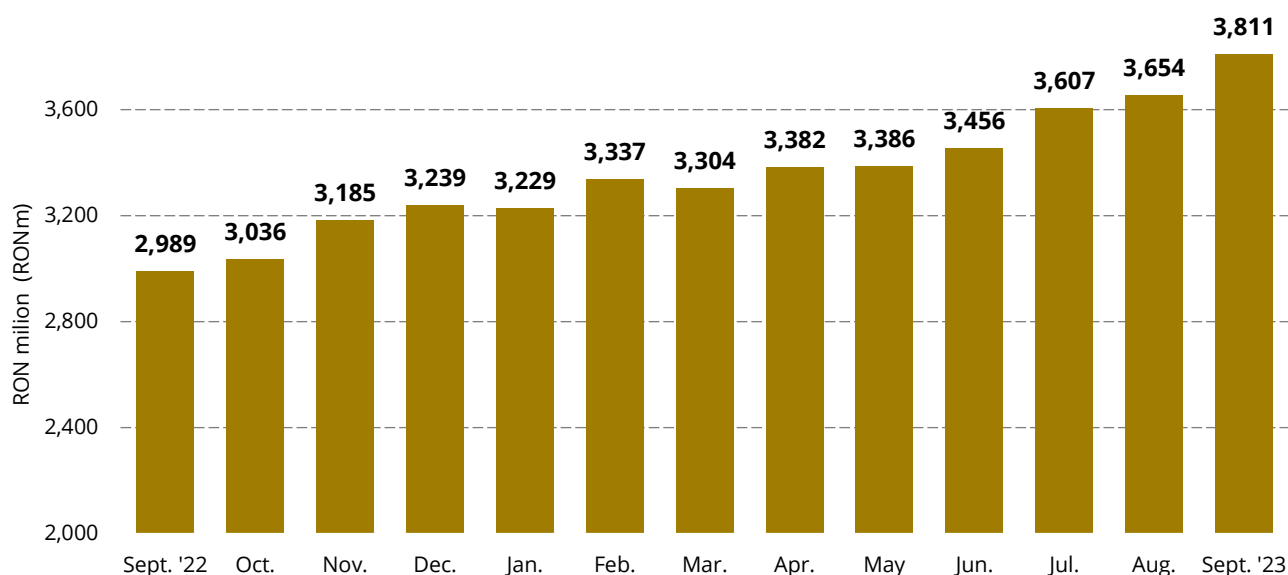
In the investment process, Lion Capital recognizes that global sustainability challenges, including climate change, resource scarcity and human rights, are critically important, and must be addressed. In this sense, to provide long-term value to the investments made, Lion Capital analyses the sustainability risk of issuers with respect to the criteria applied to determine whether an economic activity qualifies as sustainable and contributes substantially to one or more of the sustainability objectives.

Both the *Policy on integrating ESG risks in the investment decision-making process* as well as the *Statement prepared in accordance with the provisions of art. 4 (1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector* are available for consultation on Company's website, [www.lion-capital.ro](http://www.lion-capital.ro), in the *Corporate Governance* section.

## The Progress of Net Asset Value

Lion Capital's net asset value (NAV) was of **RON 3,810.74m** as of the end of 3Q 2023, up 17.66% vs. RON 3,238.77m, the value recorded as of 2022-year end. Net asset value per share (NAV/S) was of **RON 7.5234** as of September 30, 2023, 17.89% higher than the value recorded for December 31, 2022: RON 6.3817/share.

NET ASSET VALUE SEPTEMBER 2022 - SEPTEMBER 2023



The calculation of NAV and NAV/S is performed by Lion Capital with a monthly frequency, the values being certified by the depository bank Banca Comercială Română (BCR).

The monthly reports on NAV have been communicated to the Bucharest Stock Exchange and the Financial Supervisory Authority - Financial Instruments and Investments Sector, published on the website of Lion Capital, [www.lion-capital.ro](http://www.lion-capital.ro), within the regulated terms.

### The methodology for calculating the net asset value

During the reporting period, the calculation of net asset value was made in accordance with the provisions of *Law no. 243/2019 on alternative investment funds, amending and supplementing certain normative acts* and of the *ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds* with subsequent amendments and additions. The reporting formats of the *statement of assets and liabilities*, and the *detailed statement of investments*, related to the reporting period comply with the content established by annex no. 10, respectively annex no. 11 to *ASF Regulation no. 7/2020*, with subsequent amendments and additions.

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

The statement of Lion Capital's assets and liabilities as of September 30, 2023, prepared as per the provisions of annex 10 to *Regulation no. 7/2020* is presented as annex to this report.

Throughout the reporting period, the valuation of assets for the calculation of net asset value was carried out in accordance with the regulations issued by the Financial Supervisory Authority, the

provisions of ASF Regulation no. 10/2015 and of ASF Regulation no. 9/2014 (art. 113-122), with subsequent amendments and completions.

As per these regulations:

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

- a) At the closing price of the market segment considered as the main market or the reference price provided in trading systems other than regulated markets including alternative systems by the operator of that trading system for the day for which the calculation is made;
- b) By way of exception from the provisions of letter a) above, in the case of joint stock companies admitted to trading on a regulated market or a multilateral trading system with a liquidity considered by Lion Capital, based on a judgment of prudential value in relation to the active market defined by International Financial Reporting Standard 13 - Fair value measurement (IFRS 13), as irrelevant for the application of the marking to market valuation method, the shares of those companies will be measured in the assets of Lion Capital in accordance with the evaluation standards in force, according to the law, based on an evaluation report.

The Company maintained this valuation method throughout the first three quarters of 2023 for the following portfolio companies: SIF Imobiliare PLC (symbol SIFI), SIF Hoteluri SA (symbol CAOR), and IAMU SA (symbol IAMU). The analysis carried out by the company revealed that for the issuers SIF Imobiliare, SIF Hoteluri and IAMU, the active market criteria are not met, as during 2022 transactions representing less than 1% of the issuer's share capital were recorded, the total number of transactions being less than 50 (in the last 12 months), their frequency being insufficient to meet the criterion of providing reliable price information on an ongoing basis.

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

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

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

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

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

In accordance with the provisions of ASF Regulation no. 10/2015 (art. 19) and EU Regulation 231/2013 (art. 69-70), on February 28, 2023, the Company informed the investors upon maintaining the evaluation policies and methods used for the evaluation of financial assets.

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](http://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* › *Valuation of Lion Capital's assets*.

## Portfolio Structure

The asset allocation strategy aims to maximize the portfolio performance under the regulated prudential requirements.

The investment limits and restrictions incidental to the operations carried out by Lion Capital during 2023 complied with the applicable legal provisions, established by Law no. 243/2019 on the regulation of alternative investment funds, given that in accordance with the provisions of this law Lion Capital is classified as a Closed, Diversified Alternative Investment Fund addressed to Retail Investors (AIFRI).

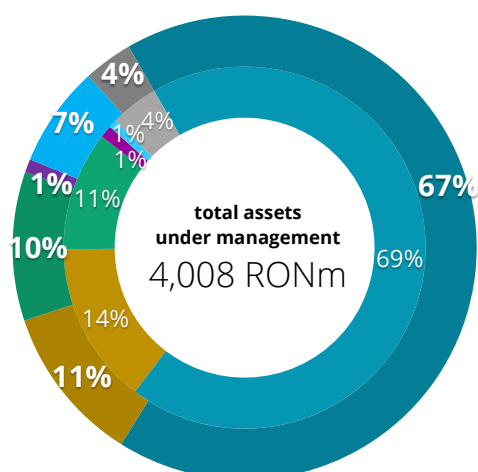
The detailed statement of Lion Capital's investments as of September 30, 2023, prepared pursuant to Annex 11 of Regulation no. 7/2020, is presented as annex to this report.

Total value of assets under Lion Capital's management as of September 30, 2023, was of **RON 4,008m**, 17.84% higher than the value recorded as of December 31, 2022, viz. RON 3.401m.

The value of the stock portfolio (listed and unlisted shares) accounted for **78.24%** of Lion Capital's total assets as of September 30, 2023, amounting to **RON 3,136m**. At the end of 3Q 2023, Lion Capital held *majority stakes* - over 50% of the issuer's share capital - in 12 companies, with a total value of RON 1,109.79m, representing 35.39% of stock portfolio value.

### ASSETS UNDER MANAGEMENT as of September 30, 2023

breakdown on classes (weight on total assets)

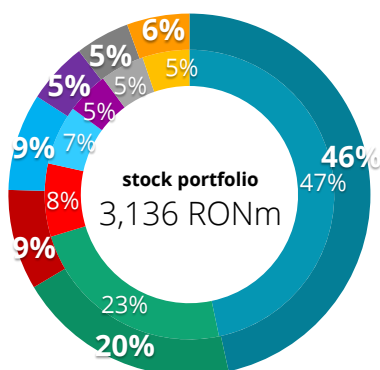


- **listed shares**  
value **2,695.97 RONm**  
(31.12.2022: 2,336.59 RONm)
- **unlisted shares**  
value **439.61 RONm**  
(31.12.2022: 492.84 RONm)
- **unlisted fund units**  
value **415.80 RONm**  
(31.12.2022: 362.94 RONm)
- **corporate bonds**  
value **37.45 RONm**  
(31.12.2022: 37.58 RONm)
- **bank deposits + cash available**  
value **282.01 RONm**  
(31.12.2022: 26.61 RONm)
- **receivables and other assets**  
value **137.05 RONm**  
(31.12.2022: 144.62 RONm)

*Note: values calculated as of September 30, 2023 (the outer ring), and December 31, 2022 (the inner ring), as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020*



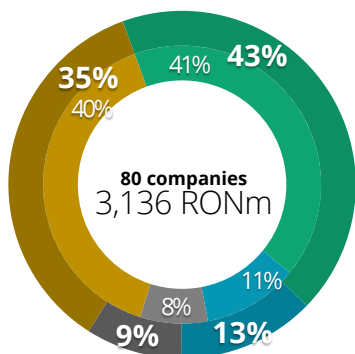
STOCK PORTFOLIO - breakdown by sector



- **banking - financial**  
 stakes in **12** companies, worth **1,458.74 RONm**  
 (31.12.2022: 13 companies, worth 1,322 RONm)
- **commerce - real-estate**  
 stakes in **10** companies, worth **624.86 RONm**  
 (31.12.2022: 12 companies, worth 667.07 RONm)
- **pharmaceuticals**  
 stakes in **1** company, worth **280.99 RONm**  
 (31.12.2022: 2 companies, worth 231.07 RONm)
- **energy - utilities**  
 stakes in **6** companies, worth **272.43 RONm**  
 (31.12.2022: 5 companies, worth 187.75 RONm)
- **hospitality (hotels and restaurants)**  
 stakes in **3** companies, worth **171.19 RONm**  
 (31.12.2022: 4 companies, worth 133.52 RONm)
- **cardboard and paper**  
 stakes in **4** companies, worth **152.05 RONm**  
 (31.12.2022: 4 companies, worth 139.47 RONm)
- **other industries and activities**  
 stakes in **44** companies, worth **175.31 RONm**  
 (31.12.2022: 52 companies, worth 148.55 RONm)

Note: percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of September 30, 2023 (the outer ring), and December 31, 2022 (the inner ring), as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020

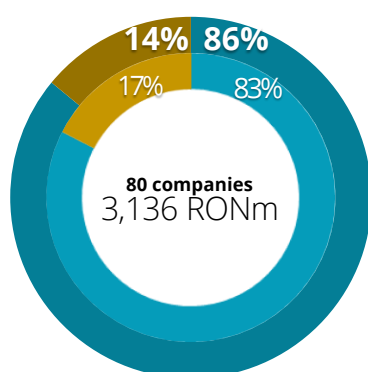
STOCK PORTFOLIO - breakdown by stake held



- **up to 5%**  
 stakes in **26** companies, worth **1,342.83 RONm**  
 (31.12.2022: 29 companies, worth 1,173.25 RONm)
- **5-33%**  
 stakes in **39** companies, worth **401.96 RONm**  
 (31.12.2022: 47 companies, worth 314.33 RONm)
- **33-50%**  
 stakes in **3** companies, worth **280.99 RONm**  
 (31.12.2022: 3 companies, worth 223.05 RONm)
- **over 50%**  
 majority stakes in **12** companies, worth **1,109.79 RONm**  
 (31.12.2022: 13 companies, worth 1,118.81 RONm)

Note: percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of September 30, 2023 (the outer ring), and December 31, 2022 (the inner ring), as per ASF Regulations no. 9/2014, n., 10/2015, and no. 7/2020

## STOCK PORTFOLIO - breakdown on liquidity



## ■ listed companies

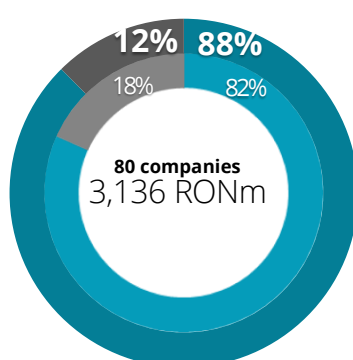
**2,695.96 RONm** (31.12.2022: 2,336.59 RONm) value of shareholdings in **27** companies (31.12.2022: 32)

## ■ unlisted companies

**439.61 RONm** (31.12.2022: 492.83 RONm) value of shareholdings in **53** companies (31.12.2022: 60)

*Note: percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of September 30, 2023 (the outer ring), and December 31, 2022 (the inner ring), as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020*

## STOCK PORTFOLIO - geographical exposure



## ■ Romania

**2,746.42 RONm** (31.12.2022: 2,313.10 RONm) value of shareholdings in **78** companies (31.12.2022: 90)

## ■ foreign markets

**389.16 RONm** (31.12.2022: 516.33 RONm) value of shareholdings in **2** companies (31.12.2022: 2): Austria (1 company – Erste Bank), Cyprus (1 company – SIF Imobiliare)

*Note: percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of September 30, 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*

The first three sectors having significant weights in the total asset structure are the banking sector, investment management, and real estate sector, collectively accounting for 64.30% of the total assets under management (AUM). The exposure to the banking sector remains substantial, with issuers from the banking sector and financial instruments issued (e.g., equity instruments, deposits, and current accounts) standing for 34.53% of AUM as of September 30, 2023. The recorded growth is attributed to both the rise in stock prices of the issuers in the banking sector, and the collected due dividends.

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

**TOP 10 COMPANIES IN LION CAPITAL PORTFOLIO** as of September 30, 2023

Company (symbol)	Sector	Stake	Value of holding* [RON]	% of NAV
1 Banca Transilvania (TLV)	banking - financial	4.78%	843,120,768	22.12%
2 SIF Imobiliare Plc (SIFI)	real estate	99.99%	348,341,981	9.14%
3 Biofarm (BIO)	pharmaceuticals	36.75%	280,986,952	7.37%
4 SIF1 IMGB	real estate	99.92%	267,259,986	7.01%
5 SIF Muntenia (SIF4)	financial (AIF)	17.93%	218,731,859	5.74%
6 BRD Groupe Société Générale (BRD)	banking - financial	1.95%	212,674,063	5.58%
7 OMV Petrom (SNP)	energy - utilities	0.57%	202,396,287	5.31%
8 Vrancart (VNC)	cardboard and paper	75.50%	151,738,296	3.98%
9 SIF Hoteluri (CAOR)	hospitality	98.99%	93,216,162	2.45%
10 IAMU S.A. Blaj (IAMU)	machinery and equipment	96.53%	86,684,983	2.27%
<b>TOTAL</b>			<b>2,705,151,337</b>	<b>70.99%</b>

\* calculated pursuant to ASF Reg. no. 9/2014, no. 10/2015, no. 2/2018

## 4. THE SHARES ISSUED BY LION CAPITAL

### CHARACTERISTICS OF THE SHARES ISSUED BY LION CAPITAL

Total number of issued shares (September 30, 2023)	<b>507,510,056</b>
Outstanding shares (September 30, 2023)	<b>506,520,056</b>
Nominal value	<b>RON 0.1000 / share</b>
Type of shares	<b>common, ordinary, registered, dematerialized, indivisible</b>
Trading market	<b>Regulated spot market of Bucharest Stock Exchange (BVB or BSE), Premium category, listed since November 1, 1999</b>
Trading venue (MIC)	<b>XBSE</b>
BVB (BSE) symbol (ticker)	<b>LION</b> (starting May 15, 2023; prior: SIF1)
ISIN	<b>ROSIFAACNOR2</b>
FIGI ID	<b>BBG000BMN2P1</b>
Part of indices	<b>BVB (BSE) indices: BET-FI • BET-XT • BET-XT-TR • BET-BK • BET-XT-TRN</b>

The shares issued by the Company grant equal rights to all shareholders.

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

The shares issued by the Company are freely traded on the regulated market of the Bucharest Stock Exchange, in accordance with the rules established by the market operator, and any individual can acquire shares issued by the Company.

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

- The Company is authorized as an Alternative Investment Fund Manager (AIFM), and the provisions of Regulation no. 3/2016 regarding the criteria and procedure for the prudential assessment of acquisitions and increases in holdings in entities regulated by the Financial Supervisory Authority apply, regulation applicable to potential acquirers and significant shareholders within the alternative investment fund 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 regulation, a qualified participation means a direct or indirect holding of voting rights or capital in the Company, representing at least 10% of these, or allowing for the exercise of significant influence over the management of the Company.
- For the purposes of the regulation, a potential acquirer is considered to exercise significant influence when their holdings, although below the 10% threshold, enable them to exert significant influence over the management of the Company, such as having a representative on the board of directors. Holdings below 10% are subject to approval requirements, on a case-by-case basis, depending on the Company's shareholding structure and the specific involvement of the acquirer in its management.
- The shares of the Company are listed on the regulated market of the Bucharest Stock Exchange, and the provisions of Law no. 24/2017 regarding issuers of financial instruments and market operations apply in terms of the obligation to conduct a mandatory takeover bid in case the 33% voting rights threshold is reached.

On January 4, 2023, the Company received notifications under Article 71 paragraph (1) of Law 24/2017, regarding the exceeding of the 5% of total voting rights in Lion Capital by the shareholder SIF Muntenia S.A. (5.0734%) and the shareholder Opus - Chartered Issuances S.A. (5.07717%). The Company informed its shareholders about this event in accordance with legal provisions, and the current report was made available on the Company's website and the Bucharest Stock Exchange's website on January 5, 2023.

LION shares on the Bucharest Stock Exchange (BVB/BSE)

Until the session of May 10, 2023, the stock symbol of the shares issued by the Fund was SIF1, and starting from the session of May 15, 2023, Lion Capital shares are traded on the Bucharest Stock Exchange under the stock symbol LION.

In the third quarter of 2023, the liquidity of LION stock rose, although it was significantly lower compared to the similar period in 2022, with a total of 6,552,484 shares traded in 2023, representing 1.291% of the total issued shares, with a total value of RON 15,962,199. On the DEAL and POF markets, transactions involving 2,179,329 shares were carried out, totalling RON 5,460,976.

Out of the 187 trading days, 71 days saw positive changes (maximum +5.81% on September 18), and 70 days experienced negative variations (minimum -2.86% on June 21).

The highest closing price at which the LION share was traded in 2023 was of RON 2.5500 per share, in the session of September 18, while the lowest closing price was of RON 2.3400 per share, in the session of June 28. The trading range between the highest and lowest during the period was 9%. The average price during the period was of RON 2.4361 per share.

LION stock price rose +3.67% YtD during this period, while the BET-BK index surged +17.75% and the BET-FI index +6.06% until September 30, 2023.

As of September 30, 2023, the market capitalization for LION stock was of RON 1,289.075m for all the issued shares, and when calculated for the outstanding shares, it was of RON 1,286.56m, values calculated at the closing price.

### **Bucharest Stock Exchange (BVB) indices including LION shares**

BET-FI • BET-BK • BET-XT • BET-XT-TR • BET-XT-TRN

BET-FI (BUCHAREST EXCHANGE TRADING – INVESTMENT FUNDS) is the first sectorial index of BVB and reflects the overall trend of prices of financial investment funds traded on the BVB regulated market. Change of BET-FI until September 30, 2023: +6.06%. Weight of LION in BET-FI: 17.08% (September 2023).

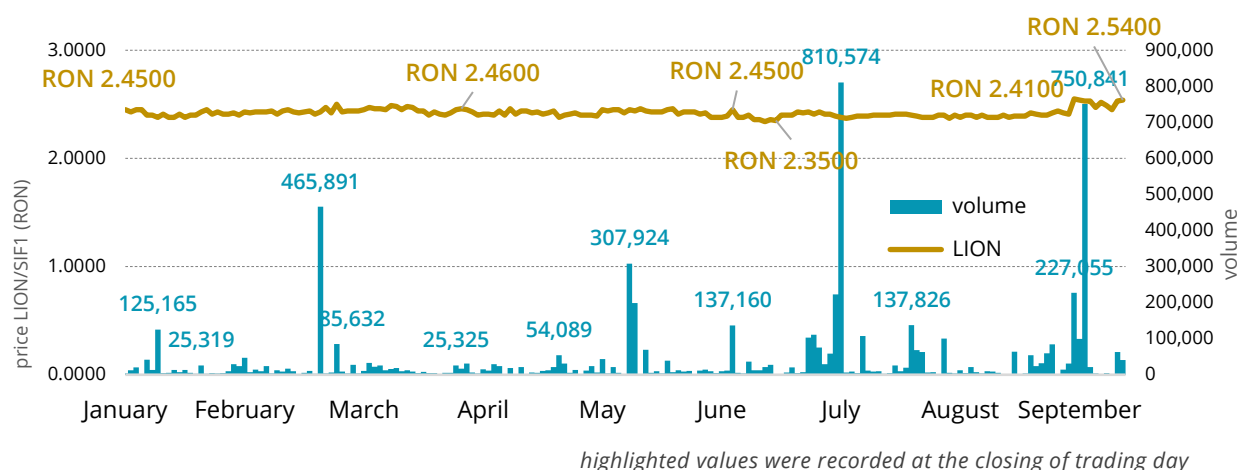
BET-BK (BUCHAREST EXCHANGE TRADING BENCHMARK INDEX) is a price index weighted by the free-float capitalization of the most liquid companies listed on the regulated market of BVB, which can be used as a benchmark by fund managers, and other institutional investors, the calculation methodology reflecting the legal requirements and the investment limits of funds. Change of BET-BK until September 30, 2023: +17.75%. Weight of LION in BET-BK: 1.91% (September 2023).

BET-XT (BUCHAREST EXCHANGE TRADING EXTENDED INDEX) is a blue-chip index and reflects the evolution of the prices of the 25 most liquid stocks traded in the regulated market, including the alternative investment funds, the maximum weight of a ticker in the index being of 15%. Change of BET-XT until September 30, 2023: +18.10%. Weight of LION in BET-XT: 2.09% (September 2023).

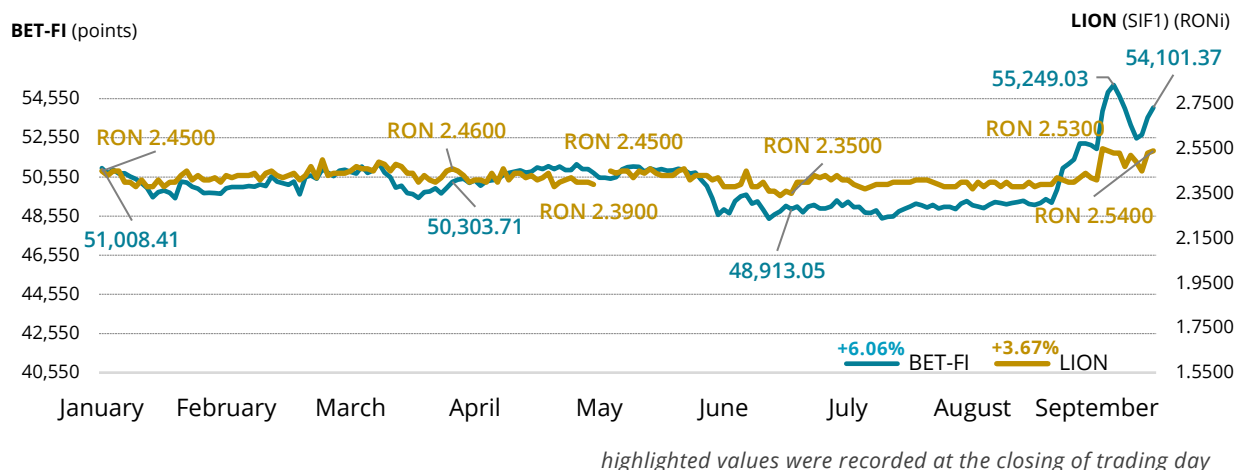
BET-XT-TR (BUCHAREST EXCHANGE TRADING EXTENDED TOTAL RETURN) is the total return version of BET-XT index, which includes the 25 most traded Romanian companies listed on BVB, tracking the price changes of its constituent companies, and is adjusted to also reflect the dividends paid by them. Performance of BET-XT-TR until September 30, 2023: +23.84%. Weight of LION in BET-XT-TR: 2.05% (September 2023).

BET-XT-TRN (BUCHAREST EXCHANGE TRADING EXTENDED NET TOTAL RETURN) is the net total return version of market reference index BET. BET-TRN tracks the price performance of its constituent companies and is adjusted to reflect the reinvestment of the net dividends paid by them. Performance of BET-XT-TR until September 30, 2023: +21.88%. Weight of LION in BET-XT-TR: 2.05% (September 2023).

### LION (SIF1) PRICE AND VOLUME IN 2023

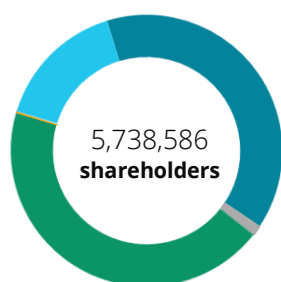


### LION (SIF1) vs. BET-FI PERFORMANCE DURING 2023



As of September 30, 2023, Lion Capital has 5,738,586 shareholders, according to the data provided by Depozitarul Central SA Bucharest, the company keeping the shareholders registry. Lion Capital holds 990,000 treasury shares, acquired under the public tender offer carried out between February 16 and March 1, 2023, based on the buyback programs approved by EGM Resolutions no. 3 of October 11, 2021, and no. 5 of April 28, 2022.

#### SHAREHOLDERS' STRUCTURE as pe holdings as of September 30, 2023



- 39,09% Romanian individuals (5,736,317 shareholders)
- 43,84% Romanian legal entities (107 shareholders)
- 0,19% Lion Capital (0,99 m treasury stock)
- 1,27% non-resident individuals (2,142 shareholders)
- 15,61% non-resident legal entities (19 shareholders)

The Ordinary General Meeting of Shareholders on April 27, 2023, approved the allocation of the net profit related to the financial year 2022, in the amount of RON 95,467,148, to *Other reserves*, as own sources of financing, without a distribution of dividends.

## 5. MANAGEMENT OF SIGNIFICANT RISKS

### Risk management

Risk management involves verifying the available input data for their assessment as well as complying with the risk limits established by the procedures and the global risk profile. The result of the monitoring is materialized through the periodic reports issued by the Risk Management Department and subject to the information of the senior management (Board and executive directors).

The person in charge of risk management analyses the investment proposals prepared by the Investment Managers to ensure that the risks associated with each investment position and their overall effect on the portfolio correspond to the investment objectives and the risk profile approved by the Board of Directors.

In 2023, the Board of Directors intensifies its focus on monitoring the Fund's exposure to risks, by advocating cautious conduct and implementing preventive measures to mitigate or manage specific risks.

### Main risks for the Fund

The significant financial risks to which Lion Capital as AIFRI is exposed are **market risk** (that includes the subcategories: price / position risk, interest rate risk, currency risk and concentration risk, **liquidity risk, credit and counterparty risk, operational risk**, (that includes the subcategories: risk related to technical resources / IT systems, professional risk, model / process risk, risk associated with outsourced activities, money laundering and terrorist financing risk), **sustainability risk**, and **other risks** (that include the subcategories: reputational risk, strategic risk, regulatory risk, taxation risk, the risk related to the economic context).

The Fund's exposure to each of the mentioned risks is presented in Note 4 of the *Financial Statements*.

In the analysis of risks and their materialization potential, all significant interests of the Fund were structured according to relevant portfolios of financial instruments in 3 classes of instruments as follows: (i) capital instruments: listed shares, unlisted shares; (ii) debt instruments: government bonds, municipal bonds, corporate bonds, bank deposits (placements), fund units issued by AIF, (iii) derivative instruments for the purpose of risk reduction / hedging / risk management (no such instruments in the portfolio as of September 30, 2023).

For the risks associated with each class of instruments mentioned, the rules of identification, evaluation and monitoring described in the specific approved risk procedures shall apply.

#### a) Market risk

The Fund is exposed to the risk that the fair value of the financial instruments held fluctuate following the changes in market prices caused either by factors specific to the activity of issuers or by factors impacting all instruments traded on the market. PROXI-85 risk portfolio, a reference for price risk in the traded stock portfolio, is analysed compared to the total risk of the BET-BK index as a forecast of future volatilities.

The market value of PROXI-85 increased in 2023 by approx. RON 340m (+17%) while the portfolio risk decreased compared to the end of 2022, VaR as a percentage of the PROXI-85 portfolio exposure decreased below the 10% level. On 30.09.2023 VaR for the PROXI-85 portfolio was 9.08% of the market value of RON 2,329m. Tracking-error, which indicates active management and represents the risk for the part of the PROXI-85 portfolio different from the BET-BK reference index, was of 5.55% and the *Expected shortfall (Conditional VaR)*, which indicates the potential loss of the portfolio in cases extremes of exceeding the 99% confidence level, was 11.12%, down vs. the data at the end of 2022.

Regarding interest-bearing financial instruments, the Fund's policy is to invest in generally short-term financial instruments, thus partially reducing both the fluctuation risk and the risk of maturity differences (not having debts with maturities of more than 1 year).

The fund is subject to exposure to changes in fair value or future cash flows due to fluctuations in the prevailing levels of market interest rates (ROBOR 3M and EURIBOR 3M). The portfolio of assets and debt instruments includes the bonds issued by Vrancart SA in RON and the loan granted to SIF SPV TWO in EURO (financial asset), the weight of these exposures in the total asset decreased to 1.73% after the repayment of a tranche of the loan granted. Both the bonds and the loan granted fall within the remaining maturity range of up to 5 years.

No derivative financial instruments were used to hedge interest rate fluctuations.

The value of the exposure of the Fund's portfolio to currency risk (financial instruments and assets denominated in euros: shares, loan granted to the subsidiary, as well as monetary instruments: deposits and current accounts) hold a weight of 14.96% of total assets as of September 2023, the exposure limit to currency risk, complying with the established by the global risk profile for a medium-high currency risk appetite.

No exchange rate derivative transactions were carried out during the financial year presented.

The Fund's exposure diversification policy applies to the structure of the portfolio, to the structure of the business model, as well as to the structure of exposures to financial risks.

The first 3 sectors with important weights in the structure of the total assets are the banking sector, investment management and the real estate sector and they weigh 64.30% of the total assets, decreasing from 67.61% of the total assets in December 2022. The exposure to the banking sector remains important, issuers from the banking sector and financial instruments issued (capital instruments, deposits, and current accounts) have a weight of 34.53% in TA on 30.09.2023. The increase is mainly due to the appreciation of quotes from banking issuers and collecting the due dividends.

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

### **b) Liquidity risk**

The Fund maintains a level of liquidity appropriate to its underlying obligations, based on an assessment of the relative liquidity of the assets on the market, prudently considering the period required for liquidation and the price or value at which those assets can be liquidated, as well as their sensitivity to market risks or other market factors. In the liquidity risk management process, the liquidity of the portfolio of financial instruments is separately analysed from the liquidity risk associated with payment obligations.

The liquidity profile of the stock portfolio is largely influenced by the liquidity of the market on which they are quoted, only 10 companies in the portfolio, quoted on the BVB, meeting the liquidity criteria for daily trades.

The liquidity risk related to the Fund's payment obligations is low, as current liabilities can be immediately covered by the balance of current accounts and short-term deposits. The assessment of the immediate net LCR indicator as of September 30, 2023, is of 15.62, which indicates a higher value of assets compared to the value of current liabilities.

To limit / avoid liquidity risk, the company will permanently adopt a prudential policy regarding cash outflows.

### **c) Credit risk**

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



lowered by placing the funds of the Fund in several banks, the placements being established at the first banking institutions in the system, with a rating similar or close to the country rating (BBB+ and BB+, confirmed by the rating agencies in 2023).

Credit risk management is carried out by closely and constantly monitoring credit risk exposures so that the Fund does not suffer losses as a result of credit concentration in a certain sector or field of activity.

The evaluation of the counterparty's credit risk indicators depending on the exposure on unlisted or unrated issuers, representing 1.73% of total assets, and depending on the exposure on activity sectors, representing 7.04% of total assets, reveals an expected loss of 0.568% of the exposure value.

No transactions were carried out with derivative financial instruments (quoted or OTC), so the Fund is not subject to counterparty risk.

#### **d) Operational risk**

The company's objective is to manage operational risk in such a way as to lead to the limitation of financial losses, not to damage its reputation, to achieve its investment objective and to generate benefits for investors.

The risk limits for the sub-categories of operational risk (legal, professional, process/model and associated with outsourced activities) are established as a result of the assessment of the risk indicator (KRI), the appetite for operational risk being medium.

For the year 2023, based on the value of assets under management as of the last business day of the previous year, Lion Capital was classified by ASF in the medium risk category for the risks generated by IT systems. In March 2023, the internal assessment of operational risks generated by IT systems was carried out in accordance with ASF Norm no. 4/2018 for the year 2022.

Until September 30, 2023, there were no operational risk incidents generated by IT systems. Between March 14 and June 22, 2023, the mandatory periodic audit of IT systems was carried out according to ASF Norm no. 4 / 2018, the final audit report being presented to the Board of Directors and ASF.

There were no operational expenses associated with operational risks, the approved operational risk tolerance being 1% of NAV within the global risk profile for a medium level risk appetite.

#### **Risk of money laundering and terrorist financing (ML/TF)**

The Company makes sure that it takes appropriate measures to identify and assess the risks related to money laundering and terrorist financing, considering the risk factors, including those relating to customers, countries or geographical areas, products, services, transactions, or distribution channels, in proportion to the nature and size of its activity. The assessment of ML / TF risks associated with the clientele of the Company is performed both at the initiation of a business relationship and after the transaction, if during it one of the risk factors changes.

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

#### **e) Other risks the Company is exposed to**

The internal assessment of other types of risks not included in the main categories (market, credit, liquidity, operational) consists in their qualitative assessment depending on the impact it could cause on the income, expenses, and value of Fund's assets.

Lion Capital adopts the necessary measures for the sustainability and development of the company in the conditions existing on the financial market, by monitoring cash flows and the adequacy of investment policies.

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

There were no violations of the risk limits at the level of the global risk profile during the reporting period.

Through risk management, both through prior verification of investments and through ex-post monitoring, the Company ensures that the portfolio management is within the appropriate risk parameters.

Internal mechanisms to ensure monitoring of exposure limits

Lion Capital has implemented an internal regulatory framework that defines the processes of monitoring, verification and reporting of investment limits according to the provisions of art. 35 par. (2) of AIF Law 243/2019, approved by the Board of Directors.

### **Periodic monitoring and reporting**

The verification and reporting of compliance with the investment limits is performed monthly, together with the calculation and reporting of the statement of Fund's assets and liabilities, to the senior management and the operational offices. At the request of the depositary bank BCR, this is also sent to them for double verification.

### **Prior verification at the time of investment**

The person responsible for risk management analyses the investment proposals prepared by the Investment Managers to ensure that the risks associated with each investment position and their overall effect on the portfolio correspond to the investment objectives and risk profile approved by the Board.

The risk opinion, in which the investment proposals are analysed and are verified both the compliance with the holding limits specified by art. 35 par. (2) of Law 243/2019 as well as the investment risk limits defined by the global risk profile, together with the Investment Report constitute the documents based on which the investments are approved according to the Decision and Signature Competencies within the Company.

Exposures higher than 10% on instruments issued by the same issuer are on Banca Transilvania SA (largest weight of 21.04% in TA) and SIF Imobiliare PLC (weight of 8.69% in TA). These holdings together represent an exposure of 29.73% of the TA, without exceeding the upper limit of 80%.

On 30.09.2023, the Fund holds a total of 9,878,329 shares issued by Depozitarul Central, a stake of 3.9057% of the share capital of the issuer, a total of 142,500 shares issued by the Central Counterparty CCP.RO, a stake of 1.7857% in the share capital of the issuer.

As of 30.09.2023, Lion Capital holds a total of 410,637 shares issued by the market operator Bucharest Stock Exchange (BSE or BVB), a stake of 5.1016% in the share capital of the issuer.

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

Leverage

By the Simplified Prospectus and the Rules of the Fund, Lion Capital as a AIFRI, has stipulated that it does not substantially (continuously and consistently) use the leverage effect, defined as any method

by which the AIFM increases the exposure of an AIF it manages either by loan of cash or securities, or by positions of derivative financial instruments or by any other means, in the process of portfolio management, respectively the methods used to increase the portfolio exposure will comply with the average risk profile decided.

By the Risk Management Policy and the Authorization Documents as AIFRI, Lion Capital ensures that its overall exposure to derivative financial instruments in the portfolio under management does not exceed the total value of its assets, Lion Capital will not use financing operations through financial instruments and will not invest in Total Return Swap instruments as defined by Regulation (EU) no. 2365/2015. The Fund may not make short sales, defined according to the provisions of Regulation (EU) no. 236/2012 aspects of credit risk swaps, other than for the purpose of hedging (risks).

In 2023, Lion Capital did not use leverage for its portfolio under management, not having the tools to generate such an effect. As of September 30, 2023, the leverage indicator by the gross method had the value of 96.761%, and by the commitment method 100%.

#### Sustainability Risk – implementing SFDR

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

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

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

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

The fund continuously analyses and evaluates the issuers in the portfolio on ESG criteria based on available ESG scores and their non-financial reports.

Moreover, the qualitative assessment of the sustainability risk at the organizational level will be carried forward, based on the analysis of the impact of the asset management activity on the environment, and the improvement of measures for the management of social aspects, diversity, and sustainable governance.

## 6. SIGNIFICANT EVENTS DURING 3Q 2023

Convening the Ordinary General Meeting of Shareholders for October 26 (27), 2023

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

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

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

## 7. FINANCIAL POSITION AND RESULTS AS OF SEPTEMBER 30, 2023

Lion Capital has prepared the financial statements as of September 30, 2023, pursuant to Norm no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to entities authorised, regulated, and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector.

The accounting report prepared as of September 30, 2023, has not been audited by the financial auditor, as it is not a legal or statutory requirement.

The following present the main elements of the financial position and results of the Company as of September 30, 2023:

Condensed statement of financial position - extract

<b>Separate statement of financial position - extract</b>		
<i>denominated in RON</i>	<b>30/09/2023</b>	<b>31/12/2022</b>
<b>Assets</b>		
Cash and cash equivalents	282,018,531	26,615,152
Financial assets at fair value through profit and loss (FVTPL)	1,759,573,464	1,723,810,844
Financial assets at fair value through other comprehensive income (FVTOCI)	1,863,366,058	1,624,523,020
Investment property and tangible assets (property, plant, and equipment)	16,518,047	16,674,856
Other assets	65,227,124	13,639,280
<b>Total assets</b>	<b>3,986,703,224</b>	<b>3,405,263,152</b>
<b>Liabilities</b>		
Equity	197,163,240	162,409,967
<b>Total liabilities</b>	<b>3,986,703,224</b>	<b>3,405,263,152</b>

The **total asset value** held as of September 30, 2023, was of RON 3,986.7m, an increase of 17.1% compared to the value of assets at the end of 2022.

The main equity components evolved as follows during the period:

- **Cash and cash equivalents** have significantly increased compared to the level recorded at the end of 2022, as a result of the sales of shares conducted in the first three quarters of 2023, and the dividends collected from portfolio companies.

- **Financial assets at fair value through profit and loss**, amounting to RON 1,759.6m, have increased by RON 35.8m since December 31, 2022, due to the recording of fair value differences for fund units, subsidiaries, and associated entities, as of September 30, 2023. The fair value increase offset the decrease in the volume of these assets following the partial repayment of a loan granted to a subsidiary, and the sale of a subsidiary.

- **Financial assets at fair value through other comprehensive income**, totalling RON 1,863.4 m, are RON 238.9m higher vs. the level recorded on December 31, 2022, as a result of favourable fair value differences of the financial asset portfolio as of September 30, 2023. This growth offset the outflows of shares (sales) in the first 9 months of 2023.

- **Other assets** category underwent a significant increase compared to the beginning of the period, mainly due to the amounts contributed for the increase in the share capital of Vrancart (RON 37.8m) and the due dividends from the portfolio companies (RON 24.5m).

- **Liabilities** have increased compared to the beginning of the period, primarily due to the recognition of deferred tax related to favourable fair value differences resulting from the assessment of shares.

- **Equity** has increased by 16.9% compared to the level recorded on December 31, 2022, mainly due to the favourable fair value differences related to the securities portfolio, recorded in both the

elements of gain/loss on investment and in other comprehensive income as of September 30, 2023, as well as due to the income from dividends due at that date.

Condensed statement of profit and loss and other comprehensive income - extract

<b>Separate statement of profit and loss and other comprehensive income - extract</b>		
<i>denominated in RON</i>	<b>30/09/2023</b>	<b>30/09/2022</b>
<b>Income</b>		
Dividend income	108,793,770	166,177,167
Interest income	9,650,192	5,749,773
Other operating revenues	82,965	580,858
<b>Gain / (Loss) on investment</b>		
Gain/(Loss) from foreign exchange differences	1,094,446	(193,502)
Gain / (Loss) on financial assets at fair value through profit and loss	151,807,034	(142,932,553)
<b>Expenses</b>		
Commissions expenses	(3,640,546)	(3,218,439)
Other operating expenses	(12,602,625)	(11,232,354)
<b>Profit / (Loss) before tax</b>	<b>255,185,236</b>	<b>14,930,950</b>
Income tax	(12,254,238)	(7,660,691)
<b>Net Profit / (Loss)</b>	<b>242,930,998</b>	<b>7,270,260</b>
<b>Other comprehensive income</b>	<b>306,868,236</b>	<b>(398,335,133)</b>
<b>Total comprehensive income for the period</b>	<b>549,799,234</b>	<b>(391,064,873)</b>

The progress of **income** with significant weight is as follows:

- **Dividend income** as of September 30, 2023, is inferior vs. the corresponding period of the previous year, primarily due to non-uniform approaches regarding dividend distribution by the management of the banking issuers in Lion Capital's portfolio. Thus, only the shareholders of Erste Group Bank AG approved the distribution of dividends in May 2023, and the shareholders of Banca Transilvania, based on the GMS resolution of September 2023, approved the distribution of dividends in November 2023.

- **Interest income** is significantly higher than the income recorded in the same period of the previous year, with the higher volume attributable to both the increased level of interest rates in the market and the asset structure.

**The gain/(loss) on investments** had the following evolution:

- **The net result from foreign exchange differences** as of September 30, 2023, is favourable, primarily related to the holdings in foreign currency.

- **Gain/(Loss) on financial assets at fair value through profit and loss (FVTPL)** is favourable, amounting to RON 151.8m, vs. a loss of RON 142.9m on September 30, 2022. The net gain is the result of the fair value measurement as of September 30, 2023, of the shares held in subsidiaries and associated entities and of the fund units.

**Expenses** incurred as of September 30, 2023, exceed those of the corresponding period of 2022, with increases recorded in both commission expenses and operational expenses.

**The net profit** recorded as of September 30, 2023, amounting to RON 242.9m, is mainly the result of the fair value measurement of the aforementioned holdings and the realized dividend income. The realized profit significantly surpasses that of the corresponding period in the previous year.

**Total comprehensive income** as of September 30, 2023, is positive, amounting to RON 549.8m, and is the result of the recognition within other comprehensive income of the increase in fair value, compared to the end of 2022, of the portfolio of financial assets classified in the FVTOCI category (Fair Value Through Other Comprehensive Income - primarily participations in the financial sector and extractive industry).

## Financial Ratios as of September 30, 2023

Ratio	Calculation method	Result as at 30.09.2023
<b>1. Current liquidity ratio</b> <sup>1)</sup>	Current assets/Current liabilities	12.4
	Debt / Equity x 100	not applicable
<b>2. Debt to equity ratio</b> <sup>2)</sup>	Debt / Capital employed x 100	not applicable
<b>3. Accounts receivables turnover</b> <sup>3)</sup>	Average clients' accounts / Turnover x 270	39
<b>4. Non-current assets turnover</b> <sup>4)</sup>	Turnover / Non-current assets	0.0746

<sup>1)</sup> **Current liquidity ratio** provides the guarantee of covering current liabilities from current assets. The acceptable recommended value is approximately 2, and the recorded value at the end of the first nine months of 2023 was of 12.4. This is due to the high level of current assets as of September 30, 2023, as there were significant amounts of liquidity in bank accounts and deposits.

<sup>2)</sup> **Debt to equity ratio** indicates the effectiveness of the credit risk management, revealing potential financing or liquidity issues, with impact on fulfilling the assumed commitments. The Company had no loans as of September 30, 2023, and therefore this indicator is zero.

<sup>3)</sup> **The accounts-receivable turnover** indicates the effectiveness of the company in collecting its receivables, respectively the number of days until the debtors pay their debt to the company.

For the turnover, the company's income and gains as of September 30, 2023, were used.

Turnover ratio calculated as of September 30, 2023, was of 39 days.

<sup>4)</sup> **Non-current assets turnover** measures the efficiency of management of the non-current assets, by examining the value of the turnover (the value of income and gain) generated by a certain portion of non-current assets. In determining the ratio, the gross value of financial assets was considered. As of September 30, 2023, this ratio has a value of 0.0746.

## 8. EVENTS AFTER THE REPORTING PERIOD

### Changes in the company's leadership

By means of the current report dated October 2, 2023, Lion Capital S.A. informed the investors that, effective from October 1, 2023, the Deputy General Director position of held within the company based on the delegation of authority contract by Ms. Teodora Sferdian has ceased, as per the mutual agreement of the parties.

The termination of the mandate contract has occurred due to Ms. Teodora Sferdian's request for resignation from the position, citing strictly personal reasons.

### Resolutions of the Ordinary General Meeting of Shareholders of October 26, 2023

The Ordinary General Meeting of Lion Capital's Shareholders ("OGM") held on October 26, 2023, at the first call, approved by Resolution no. 3, the appointment of Deloitte Audit S.R.L. as financial auditor, extending the current mandate for a period of 2 (two) years, and authorized the board of directors to negotiate and conclude the audit contract with the object of auditing the separate and consolidated financial statements for the financial years ended on December 31, 2024, and December 31, 2025, which will enter into force after the approval of the ASF, in accordance with the provisions of art. 21 par. a) of ASF Norm no. 13/2019 on the uniform framework for the conduct of the statutory audit of entities authorized, regulated and supervised by the Financial Supervisory Authority.



## 9. ANNEXES

- Annex 1** **Condensed interim separate financial statements** as of September 30, 2023, prepared pursuant to the ASF Norm no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards applicable to entities authorised, regulated, and supervised by the Financial Supervisory Authority, operating in the Financial Instruments and Investments Sector – unaudited
- Annex 2** **Net asset statement** as of September 30, 2023, prepared pursuant to Annex 10 of Regulation no. 7/2020
- Annex 3** **Detailed statement of investments** as of September 30, 2023, pursuant to Annex 11 of Regulation no. 7/2020

The quarterly report prepared as of September 30, 2023, was approved by the Board of Directors of Lion Capital in the meeting held on November 15, 2023.

**Bogdan-Alexandru DRĂGOI**

Chairman and CEO