



LION CAPITAL

QUARTERLY REPORT

— AS OF MARCH 31, 2024 —

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	Lion Capital S.A. (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"> ▪ joint stock company, Romanian legal entity ▪ 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	<ul style="list-style-type: none"> ▪ RON 50,751,005.60 – subscribed and paid-up capital ▪ 507,510,056 shares issued; entirely outstanding as of 31.03.2024 ▪ RON 0.10 per share nominal value
REGISTRATIONS	<ul style="list-style-type: none"> ▪ 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	<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"> a) portfolio management b) risk management c) 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) – Premium category Symbol LION (starting May 15, 2023; prior: SIF1)
FINANCIAL AUDITOR	Deloitte Audit S.R.L.
DEPOSITARY BANK	Banca Comercială Română (BCR)
SHARES AND SHAREHOLDERS' REGISTRY	Depozitarul Central S.A. București
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 OFFICE	Lion Capital Arad-Bucharest Branch-Rahmaninov 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest

CONTACT Investor Relations: email investitori@lion-capital.ro **tel** +40257 304 446

2. MAIN FINANCIAL AND OPERATIONAL INFORMATION

FINANCIAL POSITION [RONm]

	31.03.2023	31.12.2023	31.03.2024
Total assets, of which	3,465.80	4,305.79	4,520.69
Total financial assets	3,439.39	4,286.62	4,469.73
Equity (own capital)	3,307.01	4,100.37	4,287.27
Total liabilities	158.79	205.41	233.42

FINANCIAL PERFORMANCE [RONm]

	31.03.2023	31.12.2023	31.03.2024
Income	3.04	166.28	18.78
Gain/(Loss) on investment	33.98	296.85	(0.41)
Expenses	4.88	27.53	6.02
Gross Profit/(Loss)	32.14	435.58	12.35
Net Profit/(Loss)	32.14	417.26	11.34

SHARES AND NET ASSET PERFORMANCE

	31.03.2023	31.12.2023	31.03.2024
Share price (end of period, RON)	2.4600	2.5900	2.9400
NAV/S* (RON)	6.5237	8.0847	8.4361
Accounting net asset / share (RON)	6.5162	8.0794	8.4477
Nominal value of share (RON)	0.1	0.1	0.1
Number of shares in issue	507,510.056	507,510,056	507,510,056
Number of outstanding shares	506,520.056	506,520,056	507,510,056

* calculated acc. to ASF regulations

OPERATIONAL DATA

	31.03.2023	31.12.2023	31.03.2024
Number of permanent employees	31	32	30
Branch offices	1	1	1

SHAREHOLDING STRUCTURE as of March 31, 2024

	no. of shareholders	holdings
Romanian individuals	5,734,735	39.10%
Non-resident individuals	2,146	1.29%
Romanian legal entities	108	45.32%
Non-resident legal entities	17	14.29%
TOTAL	5,737,006	100%

3. PORTFOLIO AS OF MARCH 31, 2024

Investment Objective and Policy

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

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

Lion Capital's investment objective is the efficient management of a diversified portfolio of quality assets, capable of providing a steady income stream, preserving, and growing medium to long-term capital, with the goal of enhancing shareholder value and achieving high 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.

Investments made by Lion Capital SA, as an AIFM addressed to retail investors, are made exclusively in assets and within the limits regulated by Law no. 243/2019 *regarding the regulation of alternative investment funds and the amendment and supplementation of certain normative acts*.

In the first quarter of 2024, Lion Capital had under management a diversified portfolio consisting of two main categories of financial instruments: stocks and fund units. The fund implemented a customized exit strategy for each investment, defined based on the specific nature of the investment, long-term strategy, objectives, and exit transaction conditions.

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

Considering the shift in inflation perception from transitory to persistent, the focus is on maintaining exposure to companies and financial instruments that can benefit from this economic environment.

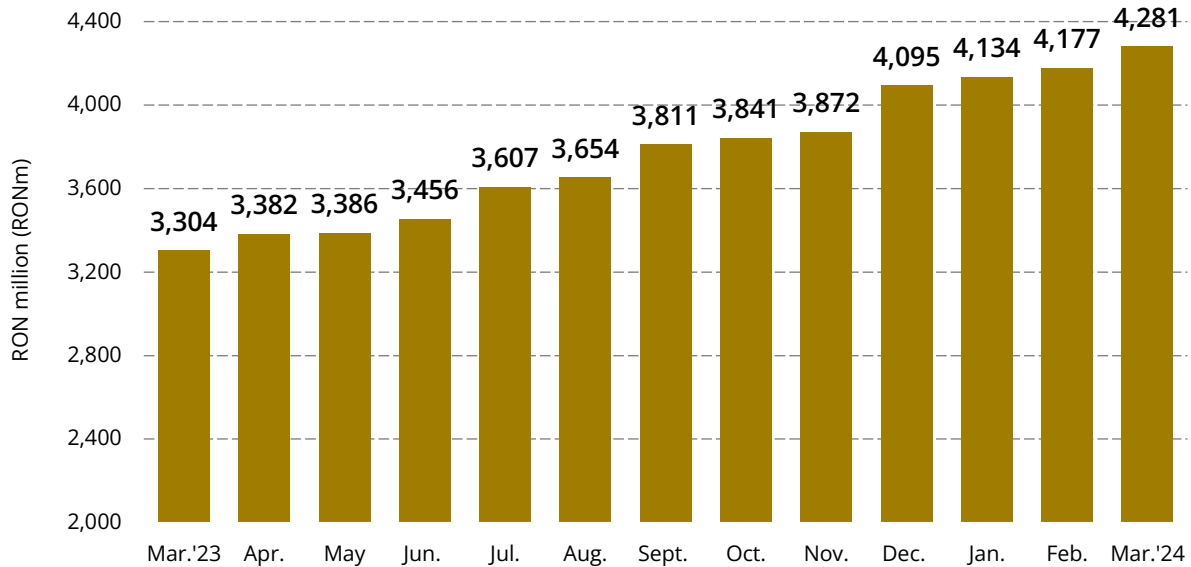
The main actions in portfolio management have adhered to the objectives approved by shareholders, focusing on:

- calibrating the portfolio towards assets/financial instruments that benefit from an inflationary environment
- restructuring the portfolio by liquidating minority exposures that do not align with the fund's investment strategy
- strengthening the strategic interests portfolio.
- maintaining a diversified portfolio of assets under management
- implementation of SFDR (Sustainable Finance Disclosure Regulation).
- proactive risk management.

The Progress of Net Asset Value

Lion Capital's net asset value (NAV) was of **RON 4,281.42m** as of the end of 1Q 2024, up 4.55% vs. RON 4,095.06m the value recorded as of 2023-year end. Net asset value per share (NAV/S) was of **RON 8.4361** as of March 31, 2024, an increase of 4.35% vs. RON 8.0847, the value recorded as of December 31, 2023. The number of outstanding shares changed compared to 2023-year end (details in Chapter 4. *The shares issued by Lion Capital*).

NET ASSET VALUE (MONTHLY VALUES) MARCH 2023 - MARCH 2024



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) within the regulated deadlines.

Methodology for Calculating the Net Asset Value

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

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

The statement of Lion Capital's assets and liabilities as of March 31, 2024, 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 measurement of assets for the calculation of net asset value was carried out in accordance with the regulations issued by the Financial Supervisory Authority, the provisions of ASF Regulation no. 10/2015 and of ASF Regulation no. 9/2014 (art. 113-122), with subsequent amendments and completions.

As per these regulations:

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

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

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

c) In 2024, Lion Capital maintained this valuation method for the following portfolio companies: SIF Imobiliare PLC (symbol SIFI), SIF Hoteluri SA (symbol CAOR), and IAMU SA (symbol IAMU). The analysis carried out by the company revealed that for the issuers SIF Imobiliare, SIF Hoteluri and IAMU, the active market criteria are not respected, as during 2023 transactions representing less than 1% of the issuer's share capital were recorded, the total number of transactions being less than 50 (during the last 12 months), their frequency being insufficient to meet the criterion of providing reliable price information on an ongoing basis.

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

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

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

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

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

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

Portfolio Structure

The asset allocation strategy aims to maximize portfolio performance within regulated prudential conditions.

The limits and investment restrictions applicable to Lion Capital's operations during 1Q 2024 complied with the legal provisions established by Law no. 243/2019 regarding the regulation of alternative investment funds, considering that according to the provisions of this law, Lion Capital is classified as a closed end, diversified Alternative Investment Fund addressed to Retail Investors (AIFRI).

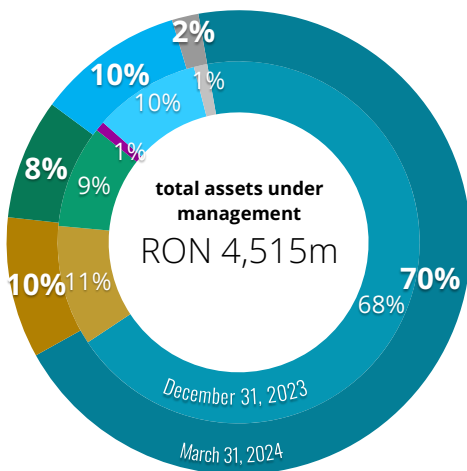
Lion Capital's detailed statement of investments as of March 31, 2024, prepared in accordance with Annex 11 of Regulation no. 7/2020, is attached to this report.

The total value of assets under Lion Capital's management as of March 31, 2024, amounted to **RON 4,514.84m**, which is 4.98% higher than the value as of December 31, 2023, when it reached RON 4,300.47m.

The value of the stock portfolio (held in listed and unlisted companies) represented **79.51%** of Lion Capital's total assets under management as of March 31, 2024, amounting to **RON 3,589.61m**. At the end of Q1 2024, Lion Capital held *majority stakes* - over 50% of the issuer's share capital - in 10 companies, with a joint value of **RON 1,257.82m**, representing 35.04% of the stock portfolio.

ASSETS UNDER MANAGEMENT as of March 31, 2024

breakdown on classes (weight on total assets)

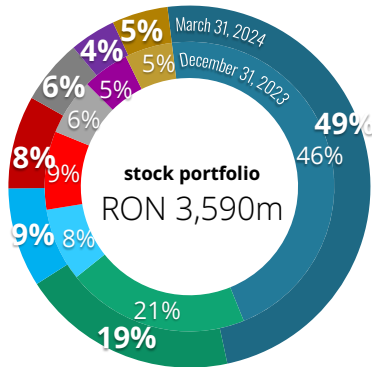


- **listed shares**
worth **RON 3,146.04m**
(31.12.2023: RON 2,944.09m)
- **unlisted shares**
worth **RON 443.57m**
(31.12.2023: RON 463.12m)
- **unlisted fund units**
worth **RON 379.07m**
(31.12.2023: RON 395.55m)
- **corporate bonds**
RON 0
(31.12.2023: RON 37.45m)
- **bank deposits + cash available**
worth **RON 462.35m**
(31.12.2023: RON 408.81m)
- **receivables and other assets**
worth **RON 83.81m**
(31.12.2023: RON 51.45m)

*Note: values calculated as of **March 31, 2024 (the outer ring)**, and **December 31, 2023 (the inner ring)**, as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020*

STOCK PORTFOLIO

breakdown by sector

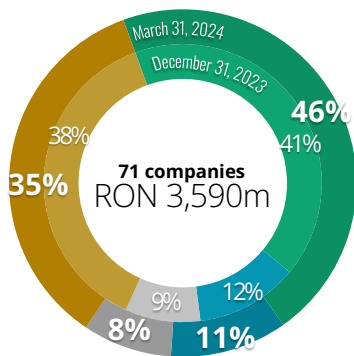


- **financial - banking**
 stakes in **11** companies, worth **RON 1,743.90m**
 (31.12.2023: 11 companies, worth RON 1,561.27m)
- **commerce - real estate**
 stakes in **8** companies, worth **RON 693.75m**
 (31.12.2023: 8 companies, worth RON 694.25m)
- **energy - utilities**
 stakes in **3** companies, worth **RON 318.71m**
 (31.12.2023: 3 companies worth RON 278.83m)
- **pharmaceuticals**
 stake in **1** company, worth **RON 298.37m**
 (31.12.2023: 1 company worth RON 298.37m)
- **cardboard and paper**
 stakes in **4** companies, worth **RON 207.41m**
 (31.12.2023: 4 companies worth RON 215.18m)
- **hospitality (hotels and restaurants)**
 stakes in **2** companies, worth **RON 148.30m**
 (31.12.2023: 3 companies, worth RON 178.79m)
- **other industries and activities**
 stakes in **42** companies, worth **RON 179.18m**
 (31.12.2023: 43 companies, worth RON 180.53m)

Note: percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of **March 31, 2024 (the outer ring)**, and **December 31, 2023 (the inner ring)**, as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020

STOCK PORTFOLIO

breakdown by stake held

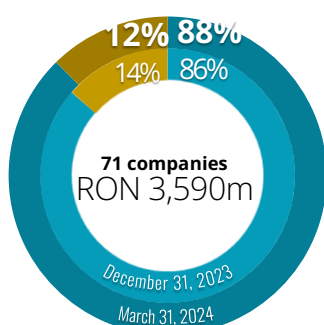


- **up to 5%**
 stakes in **23** companies
 worth **RON 1,641.12m** (31.12.2023: 23 companies, RON 1,418.06m)
- **5-33%**
 stakes in **35** companies
 worth **RON 392.31m** (31.12.2023: 36 companies, RON 405.48m)
- **33-50%**
 stakes in **3** companies
 worth **RON 298.37m** (31.12.2023: 3 companies, RON 298.37m)
- **above 50%**
 majority stakes in **10** companies
 worth **RON 1,257.82m** (31.12.2023: 11 companies, RON 1,285.31m)

Note: percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of **March 31, 2024 (the outer ring)**, and **December 31, 2023 (the inner ring)**, as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020

STOCK PORTFOLIO

breakdown on liquidity



■ listed companies

RON 3,146.04m (31.12.2023: RON 2,944.09m) value of shareholdings in **25** companies (31.12.2023: 25)

■ unlisted companies

RON 443.57m (31.12.2023: RON 463.12m) value of shareholdings in **46** companies (31.12.2023: 48)

*Note: percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of **March 31, 2024 (the outer ring)**, and **December 31, 2023 (the inner ring)**, as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020*

The first three areas of economic activity with significant weights in the total asset structure are the financial-banking sector, investment management, and the real estate sector, which together account for 64.57% of total assets, up from 62.67% of total assets in December 2023. Exposure to the banking sector remains significant, with issuers in this sector and the financial instruments issued (equity instruments, deposits, and current accounts) accounting for 40.43% of TA as of March 31, 2024. The increase is due to both the appreciation of the quotes of banking issuers and the receipt of dividends and receivables.

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

TOP 10 COMPANIES IN LION CAPITAL PORTFOLIO as of March 31, 2024

Company (market symbol)	Sector	Stake held	Value* [RON]	% of NAV
1. Banca Transilvania (TLV)	financial - banking	4.78%	1,062,103,266	24.81%
2. SIF Imobiliare Plc (SIFI)	real estate	99.99%	429,656,276	10.04%
3. Biofarm (BIO)	pharmaceuticals	36.75%	298,367,588	6.97%
4. BRD Groupe Société Générale (BRD)	financial - banking	1.95%	295,456,285	6.90%
5. SIF1 IMGB	real estate	99.99%	256,399,766	5.99%
6. OMV Petrom (SNP)	energy - utilities	0.57%	239,147,192	5.59%
7. SIF Muntenia (SIF4)	financial (AIF)	17.93%	208,885,409	4.88%
8. Vrancart (VNC)	cardboard and paper	76.05%	207,077,752	4.84%
9. SIF Hoteluri (CAOR)	hospitality	99.00%	95,959,124	2.24%
10. SAI MUNTENIA INVEST	financial (AIFM)	99.98%	94,947,003	2.22%
TOTAL			3,187,999,661	74.46%

* calculated as per ASF regulations no. 9/2014, no. 10/2015 and no. 2/2018

4. THE SHARES ISSUED BY LION CAPITAL

CHARACTERISTICS OF SHARES ISSUED BY LION CAPITAL

Total number of shares issued (March 31, 2024)	507,510,056
Outstanding shares (March 31, 2024)	507,510,056
Nominal Value	RON 0.1000 / share
Type of Shares	common, ordinary, registered, dematerialized, indivisible
CFI code	ESVUFR
Trading Venue (MIC)	Regulated spot market of Bucharest Stock Exchange (BVB or BSE), Premium category, listed since November 1, 1999
Market Symbol on Bucharest Stock Exchange	XBSE
ISIN Code	LION (before May 15, symbol SIF1)
International Identifier	ROSIFAACNOR2
Indices including LION shares	FIGI ID: BBG000BMN2P1
Trading Venue (MIC)	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.

LION stock on Bucharest Stock Exchange

The liquidity of LION shares increased in the first quarter of 2024 compared to the same period in 2023 but was much lower compared to the last quarter of 2023. In 2024, a total of 2,170,642 shares were traded, representing 0.43% of the total issued securities, with a total value of traded shares amounting to RON 5,754,792. On the DEAL market, transactions were carried out with 25,000,000 shares, totalling RON 65m.

Out of the 62 trading days, 28 days showed positive variations (maximum +6.45% on March 14) and 20 days showed negative variations (minimum -4.68% on March 25).

The highest closing price at which the LION share was traded in 2024 was of RON 2.9900 per share, in the session on March 22, while the lowest closing price was of RON 2.5000 per share, in the session on February 5, with a trading range between the maximum and minimum of 20%. The weighted average price for the period was of RON 2.6512 per share.

LION shares upsurged by +12.64% YtD during this period, while the BET-BK index rose by +8.72% and the BET-FI index by 2.52% until March 29, 2024.

As of March 29, 2024, the market capitalization of issued LION shares was of RON 1,492.079m, calculated at the closing price.

Bucharest Stock Exchange (BVB) indices including LION stock

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 until March 29, 2024: +2.52%. Weight of LION in BET-FI: 19.93% (March 2024).

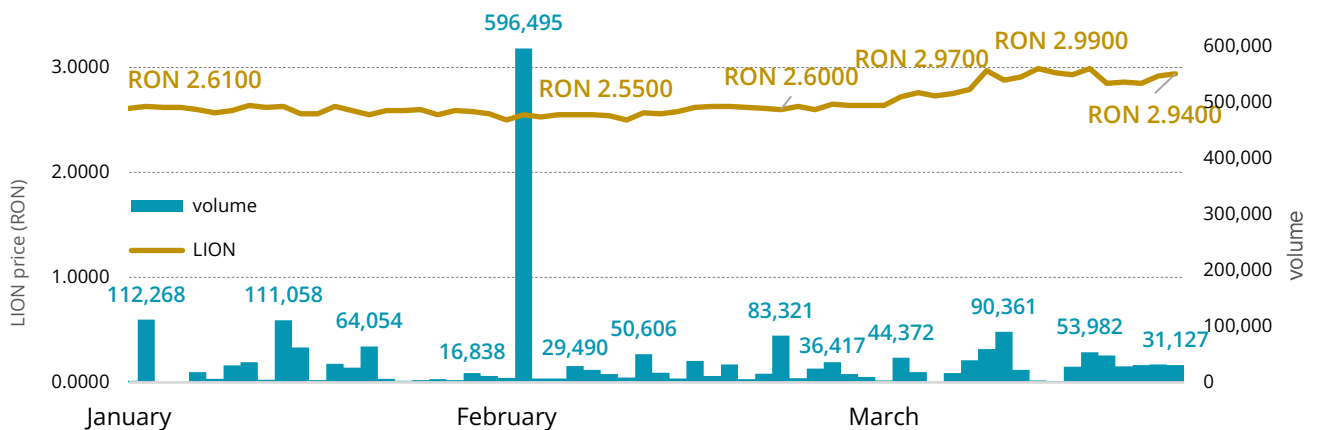
BET-BK (BUCHAREST EXCHANGE TRADING BENCHMARK INDEX) is a price index weighted by the free-float capitalization of the most liquid companies listed on the regulated market of the BVB, which can be used as a benchmark by fund managers, as well as other institutional investors, with the calculation methodology reflecting legal requirements and investment limits of the funds. The variation of the BET-BK index until March 29, 2024: +8.72%. Weight of LION in BET-BK: 1.77% (March 2024).

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 until March 29, 2024: +10.66%. Weight of LION in BET-XT: 2.11% (March 2024).

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 until March 29, 2024: +11.18%. Weight of LION in BET-XT-TR: 2.11% (March 2024).

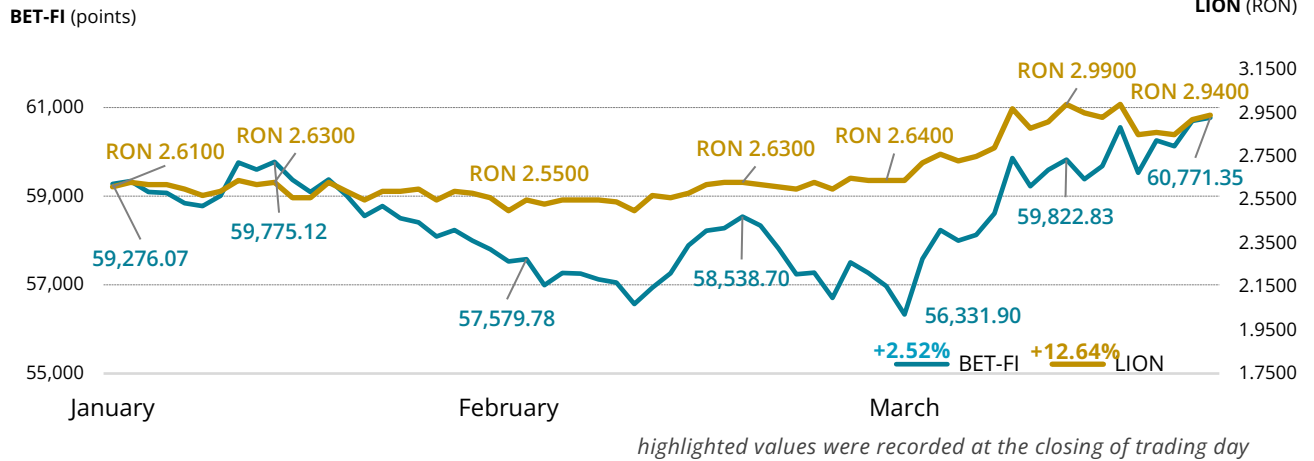
BET-XT-TRN (BUCHAREST EXCHANGE TRADING EXTENDED NET TOTAL RETURN) was launched on October 11, 2021, and is the net total return version of the BET-XT index. The BET-XT-TRN index reflects both the evolution of prices of the component companies and the reinvestment of net dividends offered by them. The variation of the BET-XT-TRN index until March 29, 2024: +11.14%. Weight of LION in BET-XT-TRN: 2.11% (March 2024).

LION PRICE AND VOLUME IN 2024



highlighted values were recorded at the closing of trading day

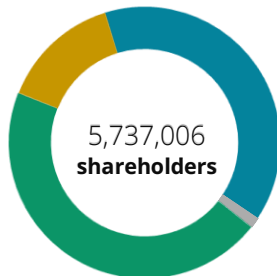
LION vs. BET-FI IN 2024



As of March 31, 2024, Lion Capital has 5,737,006 shareholders, according to data reported by Depozitarul Central S.A. Bucharest, the company that keeps the shareholders' register. The 990,000 treasury shares held as of the date of the previous periodic report were transferred to the beneficiaries of the share-based payment plan (Stock Option Plan) on March 14, 2024. Details on the completion of the Stock Option Plan were published in the current report of March 15, 2024.

SHAREHOLDERS STRUCTURE

as per holdings as of March 31, 2024



- 39.10% Romanian individuals (5,734,735 shareholders)
- 45.32% Romanian legal entities (108 shareholders)
- 1.29% non-resident individuals (2,146 shareholders)
- 14.29% non-resident legal entities (17 shareholders)

The Ordinary General Meeting of Shareholders held on April 29, 2024, approved the allocation of the net profit for the financial year 2023, amounting to RON 417,255,132, to Other reserves, as own funding sources, without distributing dividends.

5. MANAGEMENT OF SIGNIFICANT RISKS

Risk Management

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

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

In 2024, the Board of Directors will pay an increased attention to monitoring the evolution of the risks to which the Fund is exposed, by promoting prudent behaviour and applying preventive measures aimed at mitigating or managing specific risks.

Main Risks for the Fund

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

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

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

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

a) Market Risk

The Fund is exposed to the risk that the fair value of financial instruments held may fluctuate due to changes in market prices caused by either issuer-specific factors or factors affecting all instruments traded in the market. The risk of the PROXI-85 portfolio, a reference for price risk at the level of the traded equity portfolio, is analysed compared to the total risk of the BET-BK index as a future forecast of volatilities.

The market value of PROXI-85 increased by 2% from the beginning of the year to RON 2563.27m. The portfolio's risk consistently decreased in the last year, as of 31.03.2024, VaR for the PROXI-85 portfolio was 8.2%. Tracking-error, indicating active management and representing the risk for the part of the PROXI-85 portfolio different from the BET-BK benchmark index, was of 5.48%, while Expected shortfall (Conditional VaR), indicating the potential loss of the portfolio in extreme cases exceeding the 99% confidence level, was of 10.83%, down from the half-year data.

The Fund is exposed to the risk that changes in market interest rates (EURIBOR 3M) may be reflected in the fair value or future cash flows for the portfolio of assets and debt instruments. On March 17,

2024, were collected at maturity the principal and the coupon interest 29 for the bonds issued by Vrancart SA (VNC24) the collected amount being of RON 37,301,902 lei. The annual return in the 7 years of holding was of 5.45% and the total return was of 37.03%.

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

The value of the Fund's exposure to currency risk (instruments and financial assets denominated in euro: shares, loan granted to the subsidiary, as well as monetary instruments: deposits and current accounts) represents a weight of 15.44% of total assets as of March 31, 2024, the exposure limit to currency risk, set through the risk profile for a medium to high level of currency risk appetite, being complied with.

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

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

The top three areas of economic activity with significant weights in the total asset structure are the banking sector, investment management, and the real estate sector, accounting for 64.57% of total assets, up from 62.67% of total assets in December 2023. Exposure to the banking sector remains significant, with issuers from the banking sector and financial instruments issued (equity instruments, deposits, and current accounts) accounting for 40.43% in TA as of March 31, 2024. The increase is due to both the appreciation of banking issuers' quotes and the collection of dividend and receivables.

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

b) Liquidity Risk

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

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

The liquidity risk associated with the Fund's payment obligations is low, as current liabilities can be immediately covered by the balance of current accounts and short-term deposits. The total net LCR ratio as of March 31, 2024, is evaluated at 33.19, indicating a higher value of assets compared to current liabilities.

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

c) Credit Risk

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

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

The assessment of credit risk indicators for counterparties based on exposure to unrated or non-rated issuers, representing 0.73% of total assets, and based on exposure to sectors of activity, representing 10.24% of total assets, reveals an expected loss of 0.489% of the exposure value.

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

d) Operational Risk

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

Risk limits for operational risk subcategories (legal, professional, process/model, and associated with outsourced activities) are established as a result of Key Risk Indicator (KRI) evaluation, with a medium appetite for operational risk.

For the year 2024, based on the value of assets managed on the last working day of the previous year, Lion Capital has been classified by ASF (Financial Supervisory Authority) in the medium risk category for risks generated by information systems. In March 2024, an internal assessment of operational risks generated by information systems was conducted in accordance with ASF Regulation no. 4/2018 for the year 2023.

In March, an operational risk event was reported in the Processes source category: Execution, delivery, and management of processes, classified in the risk category: Inaccurate or erroneous reporting, according to the Operational Risk Nomenclature. Following the evaluation of the risk event and the control measures applied, the KRI indicator has a medium value below the alert level, with a medium probability of the event occurring and a low impact value.

Operational expenses associated with operational risks represented 0.0017% of NAV (Net Asset Value), with an approved operational risk tolerance of 1% of NAV within the overall risk profile for a medium risk appetite.

Money laundering and terrorist financing (ML/TF) risk

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

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

e) Other Risks for the Company

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

Risk avoidance and mitigation of their effects are ensured by the Company through an investment policy that complies with the prudential rules imposed by applicable laws and regulations.

During the reporting period, there were no breaches of risk limits at the overall risk profile level.

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

Internal Mechanisms Ensuring Exposure Limits Monitoring

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

Periodic Monitoring and Reporting

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

Pre-Investment Due Diligence

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

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

The exposure exceeding 10% on instruments issued by the same issuer is on Banca Transilvania, (largest weight in TA of 23.52%), and together with SIF Imobiliare PLC (a 8.69% weight in TA). These shareholdings jointly represent an exposure of 33.04% of TA without exceeding the upper limit of 80%.

The Fund has exposure to instruments issued by the Lion Group (subsidiaries) totalling 27.89% of total assets, while the legal limit is 40% of TA.

As of March 31, 2024, the Fund has a total exposure of 0.64% of total assets on the BVB (Bucharest Stock Exchange) group consisting of the market operator Bucharest Stock Exchange, the central depository (Depozitarul Central SA), and the central counterparty CCP.RO. Lion Capital holds a total of 410,637 shares issued by BVB, meaning a stake of 5.1016% of the issuer's share capital, a total of 9,878,329 shares issued by Depozitarul Central, standing for a stake of 3.9057% of the issuer's share capital, and a total of 142,500 shares issued by the central counterparty CCP.RO, standing for stake of 1.7857% of the issuer's share capital.

Participation units issued by UCITS (Undertakings for Collective Investment in Transferable Securities) and AIFs (Alternative Investment Funds) represent a proportion of 14.09% of the Fund's total assets. Limits vary depending on the type of AIF between 10-50% of TA (Total Assets), which have not been exceeded.

Untraded securities and money market instruments represent 20.05% of total assets, while the legal limit is 40% of TA.

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

Leverage

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

In 2024, the Company has not used financing operations through financial instruments and has not invested in Total Return Swap instruments as defined by Regulation (EU) no. 2365/2015. The Fund cannot make short sales, defined according to the provisions of Regulation (EU) no. 236/2012 aspects of credit risk swaps, other than for the purpose of hedging (risks).

As of March 31, 2024, the leverage indicator by the gross method had the value of 94.92%, and by the commitment method 100%.

Sustainability Risk

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

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

The ESG (Environmental, Social, and Governance) risk assessment model for the portfolio has been expanded to cover exposures exceeding RON 10m, representing a total of 18 equity issuers with a combined weight of approximately 80% of total assets under management. Among these, 5 issuers have received ESG scores from Sustainalytics, while 7 issuers have published non-financial reports in accordance with the NFRD (Non-Financial Reporting Directive) requirements.

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

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

6. SIGNIFICANT EVENTS DURING 1Q 2024

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

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

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

Publication of Preliminary Financial Results for FY 2023

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

Completion of Share-based Payment Plan

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

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

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

Authorization of Company Director

On March 25, 2024, Lion Capital informed the investors that, by Authorization No. 34/22.03.2024, the Financial Supervisory Authority authorized the modification of the significant conditions underlying the authorization of Lion Capital S.A., following the appointment of Mr. Florin-Daniel Gavrilă as Director of the company, for a mandate valid until November 15, 2027, in accordance with Board Decision No. 7/15.11.2023.

The authorized management composition of Lion Capital S.A. as of the effective date of this authorization is as follows: Bogdan-Alexandru Drăgoi, Radu-Răzvan Străuț, Laurențiu Riviș, Florin-Daniel Gavrilă.

Authorization No. 34/22.03.2024 came into force on March 25, 2024, the date of its communication to Lion Capital SA, and was published in the ASF Bulletin, electronic form.

Convening the OGM and EGM for April 29 (30), 2024

The Board of Directors of Lion Capital S.A., in the meeting held on March 22, 2024, convened, pursuant to art. 117 of Law no. 31/1990, the ordinary general meeting of shareholders ("OGM") for April 29, 2024, at 10:00 am, and the extraordinary general meeting of shareholders ("EGM") for April 29, 2024, at 12:00 pm, at the company's headquarters in Arad, Calea Victoriei no. 35A.

If the validity conditions are not met at the first convocation, the ordinary general meeting of shareholders (OGM) is convened for the second time on April 30, 2024, at 10:00 am, and the extraordinary general meeting of shareholders (EGM) for April 30, 2024, at 12:00 pm, with the same agenda and at the same location.

The Convening Notice for the OGM and EGM is available on Company's website, www.lion-capital.ro, in the *Investor Relations • General Shareholders' Meetings*

7. FINANCIAL POSITION AND RESULTS AS OF MARCH 31, 2024

Lion Capital has prepared the financial statements as of March 31, 2024, 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 March 31, 2024, 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 March 31, 2024:

Condensed interim separate statement of financial position - extract

Separate statement of financial position - extract		
<i>denominated in RON</i>	March 31, 2024	December 31, 2023
Cash and cash equivalents	462,348,161	408,814,516
Financial assets at fair value through profit and loss (FVTPL)	1,818,880,954	1,900,476,975
Financial assets at fair value through other comprehensive income (FVTOCI)	2,188,505,445	1,977,331,822
Investment property and tangible assets (property, plant, and equipment)	15,396,314	17,887,148
Other assets	35,568,421	1,275,701
Total assets	4,520,699,296	4,305,786,163
Liabilities	233,422,351	205,414,379
Equity	4,287,276,945	4,100,371,784
Total liabilities	4,520,699,296	4,305,786,163

The total value of assets held as of March 31, 2024, amounted to RON 4,520.7m, up 5% vs. the value as of 2023-year end.

The main asset components changed as follows from the beginning of the period:

- **Cash and cash equivalents** increased compared to the level recorded at the end of 2023, as a result of share sales conducted in the first 3 months of 2024.
- **Financial assets at fair value through profit and loss**, amounting to RON 1,818.9m, decreased by RON 81.6m vs. December 31, 2023, due to the recognition of fair value differences for fund units and listed companies - subsidiaries and associates (with active market) as of March 31, 2024.
- **Financial assets at fair value through other comprehensive income**, amounting to RON 2,188.5m, exceeded the level recorded as of December 31, 2023, as a result of favourable fair value differences of the financial assets portfolio (listed shares) recorded as of March 31, 2024.
- The **Other assets** category showed an increase from the beginning of the period, mainly represented by the receivable related to the sale of a portfolio company.
- **Liabilities** underwent a slight increase, mainly due to deferred tax generated by financial assets at fair value through other comprehensive income.
- **Shareholders' equity** volume increased by 4.6% compared to the level recorded as of December 31, 2023, primarily due to favourable fair value differences related to the securities portfolio, recorded both within the gain/loss on investment and within other comprehensive income as of March 31, 2024.

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

Separate statement of profit and loss and other comprehensive income - extract		
<i>denominated in RON</i>	March 31, 2024	March 31, 2023
Income		
Dividend income	12,561,658	-
Interest income	5,756,962	2,963,194
Other operating revenues	11,703	76,733
Other financial revenues	445,500	-
Gain/(Loss) on investment		
Gain/(Loss) from foreign exchange differences	(299,551)	235,890
Gain / (Loss) on financial assets at fair value through profit and loss	(108,650)	33,744,676
Expenses		
Commissions expenses	(1,247,659)	(1,085,885)
Other operating expenses	(4,774,720)	(3,791,880)
Profit / (Loss) before tax	12,345,242	32,142,729
Income tax	(1,004,933)	(1,582)
Net Profit / (Loss)	11,340,309	32,141,147
Other comprehensive income	175,019,578	36,344,458
Total comprehensive income for the period	186,359,887	68,485,605

The evolution of income with significant weight is as follows:

- **Dividend income** recorded as of March 31, 2024, represents the dividends collected from BRD Groupe Société Générale.

- **Interest income** is significantly higher compared to the revenues recorded in the similar period of the previous year, with the higher volume being attributed to both the higher interest rate level and the recognition of interest due on a loan granted to a subsidiary.

The Gain/(Loss) on investment presents the following evolution:

- **The net result from exchange rate differences** recorded as of March 31, 2024, is unfavourable, primarily attributed to the foreign currency holdings.

- **Gain/(Loss) on financial assets at fair value through profit and loss (FVTPL)** is unfavourable, amounting to RON 108,000, compared to the gain of RON 33.7m as of March 31, 2023. The net loss results from the fair value measurement as of March 31, 2024, of listed shares (subsidiaries and associated entities) and fund units.

Expenses incurred as of March 31, 2024, are slightly higher than those incurred in the corresponding period of 2023, with increases recorded in both commission expenses and operational expenses.

Net profit recorded as of March 31, 2024, amounting to RON 11.3m, is primarily the result of the fair value assessment of the aforementioned equity participations.

Total comprehensive income as of March 31, 2024, is positive, amounting to RON 186.4m, and is the result of the recognition within other comprehensive income of the increase in fair value, compared to the end of 2023, of the portfolio of financial assets classified under the FVTOCI category (Financial assets at fair value through other comprehensive income – primarily equity participations in the hotel and extractive industries sector).

Financial Ratios as of March 31, 2024

Ratio	Calculation method	Result as of 31/03/2024
1. Current liquidity ratio ¹⁾	Current assets/Current liabilities	34.96
	Debt / Equity x 100	not the case
2. Debt to equity ratio ²⁾	Debt / Capital employed x 100	not the case
3. Accounts receivables turnover ³⁾	Average clients' accounts / Turnover x 90	88
4. Non-current assets turnover ⁴⁾	Turnover / Non-current assets	0.0046

¹⁾ **Current liquidity ratio** provides the guarantee of covering current liabilities from current assets. The value at the end of the first three months of 2024 was of 34.96. This is due to the high level of current assets as of March 31, 2024, as there were significant amounts of liquidity in bank accounts and deposits.

²⁾ **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 March 31, 2024, and therefore this indicator is zero.

³⁾ **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 March 31, 2024, were used.

Turnover ratio calculated as of March 31, 2024, was of 27 days.

⁴⁾ **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 March 31, 2024, this ratio has a value of 0.0046.

8. EVENTS AFTER THE REPORTING PERIOD

Amendment of the Agendas of OGM and EGM convened for April 29 (30), 2024

On April 10, 2024, the company received two requests for amending the agenda of the general meetings of shareholders: one request to amend the agenda of the ordinary general meeting of shareholders and one request to amend the agenda of the extraordinary general meeting of shareholders of Lion Capital S.A., convened for April 29 (30), 2024. These requests were formulated by the shareholder Blue Capital S.R.L., headquartered in Bucharest, holding 8.6285% of the share capital of Lion Capital SA.

The proposal to amend the OGM agenda concerns the distribution of 50% of the net profit for the financial year 2023, corresponding to a gross dividend per share of RON 0.41. The proposal for the EGM aimed to initiate a share buyback program by the company for up to 50 million own shares (9.85% of the issued shares).

The requests to amend the agendas of the OGM and EGMs were reviewed by the Board of Directors of Lion Capital in the meeting held on April 11, 2024, which decided to amend the agendas of both meetings with the items requested by the shareholder Blue Capital.

Resolutions of OGM and EGM of April 29, 2024

The ordinary and the extraordinary general meeting of Lion Capital's shareholders were held on April 29, 2024, starting at 10:00 a.m. (Romanian time), and respectively at 12:00 p.m. (Romanian time), at the first call.

The ordinary general meeting of shareholders approved:

- the separate financial statements for 2023 FY, based on the discussions and reports presented by the Board of Directors and the financial auditor, including the remuneration report of Lion Capital for the year 2023, in accordance with the provisions of art. 107, par. (6) from Law no. 24/2017 republished, annex to the annual report of the Board of Directors;
- allocation of the net profit for 2023 FY, in the amount of RON 417,255,132, to Other reserves, as own financing sources;
- the consolidated financial statements prepared for the year ending on December 31, 2023, based on the discussions and reports presented by the Board of Directors and the financial auditor;
- the discharge of administrators for the activity carried out in 2023 FY;
- the income and expenses budget and the Activity Program for 2024 FY;
- the remuneration due to the members of the Board of Directors for 2024 FY, at the level established by the OGM Resolution of April 26, 2016;
- the general limits of all the additional remuneration of the members of the Board of Directors and the general limits of the directors' remuneration for 2024 FY at the level established by OGM Resolution no. 7 of April 27, 2020.

The extraordinary general meeting of shareholders approved the following main topics agenda:

- **the execution of a buyback program ("Program 8") in compliance with applicable legal provisions and having the following main features:**
 - (i) The purpose of Program 8: The Company will repurchase shares under the Program 7 for the distribution free of charge to employees and members of the Company's management (administrators, executive directors) in order to foster their loyalty and to reward their activity in the Company, according to performance criteria to be determined by the Board of Directors.
 - (ii) The maximum number of shares that may be repurchased: 1,500,000 shares at most;
 - (iii) The minimum price per share: RON 0.1;

- (iv) The maximum price per share: RON 8.2473;
- (v) Duration of Program 8: a maximum of 18 months after publication of the decision in the Official Gazette of Romania, Part IV;
- (vi) The shares acquired under the Program 8 will be paid from sources permitted by law.

Besides its main characteristics, Program 8 will also include other requirements provided by law and which are not listed above. The acquisition of shares under Program 8 will be done through all market operations allowed by law, which may include public tender offers initiated by the Company, in accordance with the law. To implement the Program 8, the Board will be empowered to take all necessary measures and fulfil all formalities required, in compliance with the above-mentioned requirements.

- **the use of the shares purchased under Buyback Program 8 for their distribution free of charge to employees and members of the company's management (administrators, executive directors) in a share-based payment plan of "Stock Option Plan" type, in compliance with applicable legislation. The Board of Directors of the company is empowered to take all necessary measures and to fulfil all the formalities required for the approval and implementation of the share-based payment plan of "Stock Option Plan" type.**

The full version of the Resolutions adopted by the OGM and EGM of April 29, 2024, is available for consultation on the Company's website, at www.lion-capital.ro, in the *Investor Relations* section.

9. ANNEXES

ANNEX 1 Condensed interim separate financial statements as of March 31, 2024, prepared pursuant to the Financial Supervisory Authority 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 March 31, 2024, prepared pursuant to Annex 10 of Regulation no. 7/2020

ANNEX 3 Detailed statement of investments as of March 31, 2024, pursuant to Annex 11 of Regulation no. 7/2020

The quarterly report prepared as of March 31, 2024, was approved by the Board of Directors of Lion Capital in the meeting held on May 14, 2024.

Bogdan-Alexandru DRĂGOI
Chairman and CEO