



LION CAPITAL

QUARTERLY REPORT

— PREPARED AS OF MARCH 31, 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 Rule no. 39/2015
*this report is provided as a free translation from Romanian, which is
the official and binding document*

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<ul style="list-style-type: none"> ▪ Annex 1 - Condensed interim standalone financial statements as of March 31, 2023, prepared pursuant to the Financial Supervisory Authority Rule 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 	
<ul style="list-style-type: none"> ▪ Annex 2 - Net asset statement as of March 31, 2023, prepared pursuant to Annex 10 of Regulation no. 7/2020 	
<ul style="list-style-type: none"> ▪ Annex 3 - Detailed statement of investments as of March 31, 2023, pursuant to Annex 11 of Regulation no. 7/2020 	

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 with entire private capital ▪ established as a self-managed investment company, authorized by the Financial Supervisory Authority as Alternative Investment Fund Manager (AIFM) - Authorization no. 78 / 09.03.2018, and as closed-ended alternative investment fund, diversified, addressed to retail investors (AIFRI) - Authorization no. 130 / 01.07.2021
SHARE CAPITAL	<ul style="list-style-type: none"> ▪ RON 50,751,005.60 – subscribed and paid-up capital ▪ 507,510,056 shares issued; 506,520,056 outstanding as of 31.03.2023 ▪ 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 (CAEN): financial intermediation, except for insurance and pension funds (CAEN code 64), and the main object of activity: Other financial intermediation n.c.a. (CAEN code 6499):</p> <ul style="list-style-type: none"> ▪ portfolio management ▪ risk management ▪ other activities carried out within the collective management of an investment fund, allowed by the legislation in force
TRADING MARKET	The company is listed since November 1, 1999 on the regulated market of Bucharest Stock Exchange (BVB) – Premium category - ticker SIF1
FINANCIAL AUDITOR	Deloitte Audit S.R.L.
DEPOSITARY BANK	Banca Comercială Română (BCR)
SHARES AND SHAREHOLDERS' REGISTRY	Depozitarul Central S.A. Bucharest
HEADQUARTERS	<p>Arad, 35A Calea Victoriei 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL sifbc@sif1.ro WEB www.sif1.ro</p>
BRANCH OFFICE	<p>SIF Banat-Crișana SA Arad-Bucharest Branch-Rahmaninov 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest</p>

CONTACT Investor Relations: email investitori@sif1.ro tel +40257 304 446

2. MAIN FINANCIAL AND OPERATIONAL INFORMATION

MAIN BALANCE SHEET ITEMS [RONm]		
	31.12.2022	31.03.2023
Total assets, of which	3,405.26	3,465.80
Total financial assets	3,374.95	3,439.39
Equity (own capital)	3,242.85	3,307.01
Total liabilities	162.41	158.79

FINANCIAL PERFORMANCE [RONm]		
	31.03.2022	31.03.2023
Operating income	33.74	3.04
Gain/(Loss) on investment	(63.95)	33.98
Operating expenses	4.67	4.88
Gross profit / (Loss)	(34.88)	32.14
Net profit / (Loss)	(36.25)	32.14

PERFORMANCE OF SHARES AND NET ASSET		
	31.12.2022	31.03.2023
Share price (end of period, RON)	2.4300	2.4600
NAV/S* (RON)	6.3817	6.5237
Accounting net asset / share (RON)	6.3897	6.5162
Nominal value of share (RON)	0.1	0.1
Number of shares issued	507,510,056	507,510,056
Number of outstanding shares	507,510,056	506,520,056

* calculated acc. to ASF regulations

** calculated excluding the shares repurchased by the Company

OPERATIONAL DATA		
	31.12.2022	31.03.2023
Number of permanent employees	32	31
Branch offices	1	1

SHAREHOLDING STRUCTURE as of March 31, 2023		
	number of shareholders	holdings
Romanian individuals	5,738,043	40.24%
Non-resident individuals	2,128	0.33%
Romanian legal entities	112	43.43%
Lion Capital*	1	0.20%
Non-resident legal entities	22	15.80%
TOTAL	5,740,306	100%

* treasury shares, repurchased in 2023

3. PORTFOLIO AS OF MARCH 31, 2023

Investment objective and policy

Lion Capital's investment strategy aims to maximize the portfolio performance to increase the value of the assets under management and the investment income.

The financial objective is to reap an aggregate return on the portfolio generated from dividend and capital gains.

Lion Capital has as investment objective is the efficient management of a diversified portfolio comprised of high-quality assets, capable of providing a steady flow of revenues, the preservation and medium-long term capital growth, to increase the value for shareholders and obtain as high yields for the invested capital.

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

Lion Capital's investments, as AIFRI, are made exclusively in the assets and within the limits regulated by *Law no. 243/2019 on the regulation of alternative investment funds and for the amendment and completion of some normative acts*.

Investments are performed over a certain period, complying to the regulated prudential terms, under appropriate risk monitoring and control, to ensure a steady balance of risk and expected return. The investment decision-making process is formalized through internal procedures and the levels of competence approved by the company's Board of Directors.

The company applies an exit strategy tailored to the specifics of each investment, defined based on the applied strategy, the investment objectives, the conditions of the exit transaction.

The execution of various exit strategies is tailored and correlated with various internal and external factors, such as: the general economic outlook; the evolution of financial markets; liquidity of listed securities and daily trading volumes; the regionality of small businesses; access barriers (interest), depending on the shareholding structure; the liquidity requirement of Lion Capital.

As of March 31, 2023, Lion Capital has under management a complex portfolio of financial instruments, consisting of (i) capital instruments: listed shares, unlisted shares; (ii) debt instruments: corporate bonds, bank deposits, fund units issued by AIF.

Lines of action in portfolio management:

- 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 Company'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 objectives of durability.

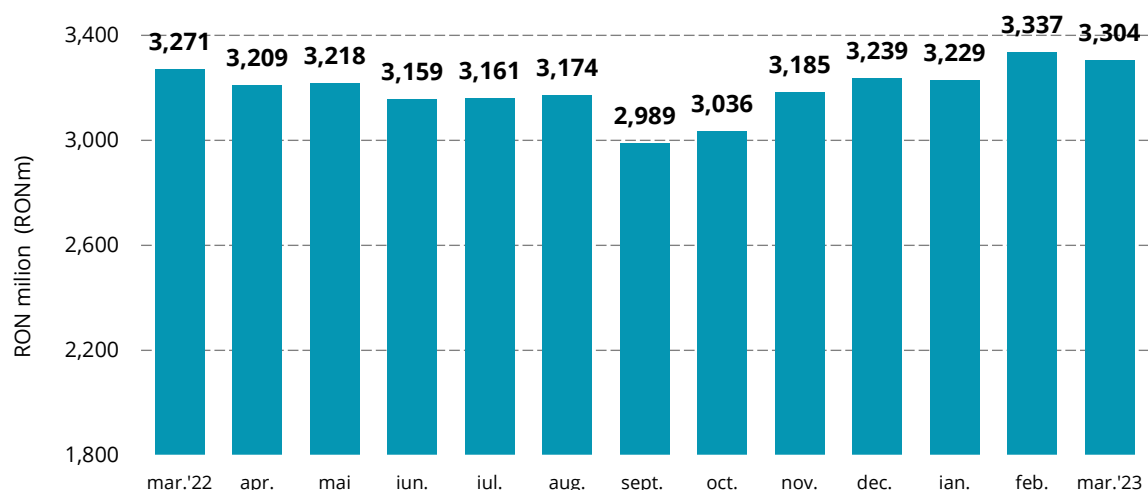
Both the *Policy on integrating ESG risks in the investment decision-making process* as well as the *Statement prepared in accordance with the provisions of art. 4 (1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial*

services sector are available for consultation on Company's website, www.lion-capital.ro, in the Corporate Governance section.

Net Asset Value

Lion Capital's net asset value (NAV) was of **RON 3,304.37m** as of March 31, 2023, up 2.025% vs. RON 3,238.77m, the value recorded as of December 31, 2022, and 1.026% higher vs. March 31, 2022 (RON 3,270.80m). Net asset value per share (NAV/S) was of **RON 6.5237** as of March 31, 2023 (December 31, 2022: RON 6.3178/share and March 31, 2022: RON 6.4448/share).

NET ASSET VALUE MARCH 2022 - MARCH 2023



The calculation of NAV and NAV/S is performed by Lion Capital with a monthly frequency, the values being certified by the depositary 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, 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 SIF Banat-Crișana 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 March 31, 2023, prepared as per the provisions of annex 10 to Regulation no. 7/202 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.
- c) The Company maintained in 2022 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 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 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 taken into account 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 *Investments* › *Net Asset* › *Net asset value calculation methodology*.

Portfolio structure

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

The investment limits and restrictions incidental to the operations carried out by Lion Capital during Q1 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).

During Q1 2023, no violations of the regulated prudential investment limits were recorded.

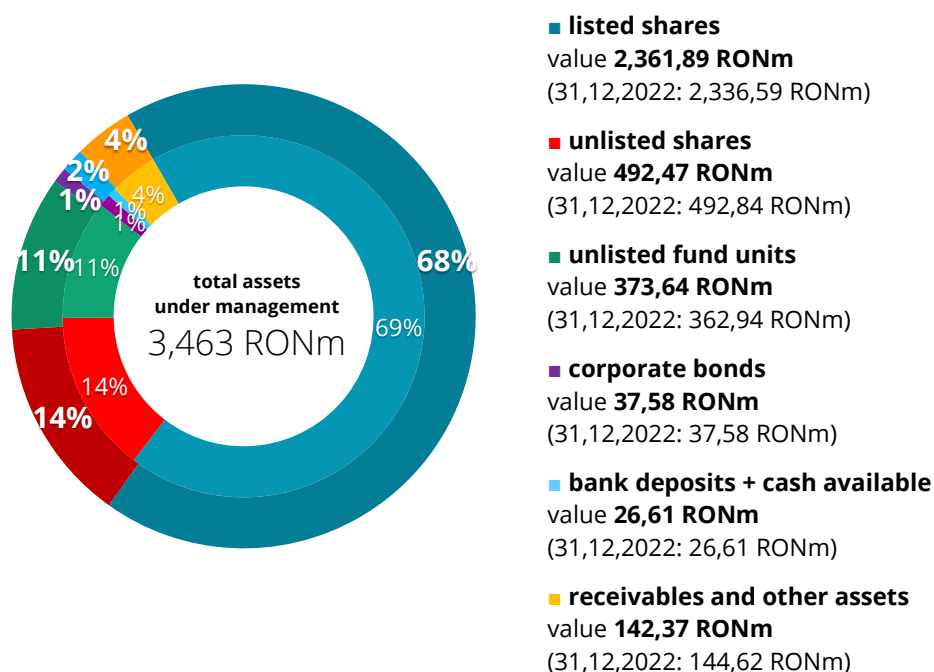
The detailed statement of Lion Capital's investments as of March 31, 2023, prepared pursuant to Annex 11 of Regulation no. 7/2020, is presented as annex to this report.

Total value of assets under Lion Capital's management as of March 31, 2023, was of **RON 3,463m**, 1.823% higher than the value recorded as of December 31, 2023, viz. RON 3.401m.

The value of the stock portfolio (listed and unlisted shares) accounted for **82%** of Lion Capital's total assets as of March 31, 2023, amounting to **RON 2,854.36m**. At the end of Q1 2023, Lion Capital held *majority stakes* - over 50% of the issuer's share capital - in 13 companies, with a total value of RON 1,132.43m, representing 40% of stock portfolio value.

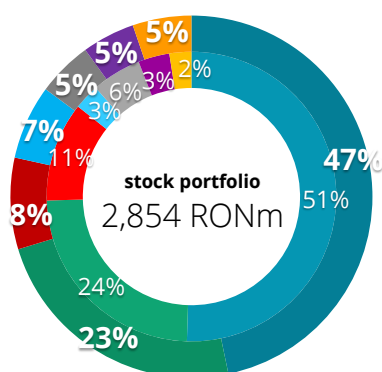
ASSETS UNDER MANAGEMENT as of March 31, 2023

breakdown on classes (weight on total assets)



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

STOCK PORTFOLIO - breakdown by sector

■ **banking - financial**

stakes in **12** companies, worth **1,265,96 RONm**
(31,12,2022: 13 companies, worth 1,322 RONm)

■ **commerce - real-estate**

stakes in **12** companies, worth **667,34 RONm**
(31,12,2022: 12 companies, worth 667,07 RONm)

■ **pharmaceuticals**

stakes in **2** companies, worth **240,31 RONm**
(31,12,2022: 2 companies, worth 231,07 RONm)

■ **energy - utilities**

stakes in **5** companies, worth **206,02 RONm**
(31,12,2022: 6 companies, worth 187,75 RONm)

■ **cardboard and paper**

stakes in **4** companies, worth **153,21 RONm**
(31,12,2022: 4 companies, worth 139,47 RONm)

■ **hospitality (hotels and restaurants)**

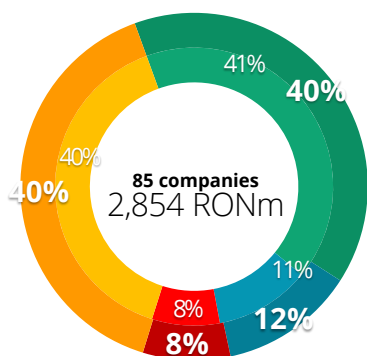
stakes in **4** companies, worth **175,77 RONm**
(31,12,2022: 4 companies, worth 133,53 RONm)

■ **other industries and activities**

stakes in **46** companies, worth **145,75 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 March 31, 2023 (the outer ring), and December 31, 2022 (the inner ring), as per ASF Regulations no. 9/2014, no. 10/2015 and no. 7/2020

STOCK PORTFOLIO - breakdown by stake held

■ **up to 5%**

stakes in **27** companies, worth **1,131,49 RONm**
(31,12,2022: 29 companies, worth 1,173,25 RONm)

■ **5-33%**

stakes in **42** companies, worth **357,97 RONm**
(31,12,2022: 47 companies, worth 314,33 RONm)

■ **33-50%**

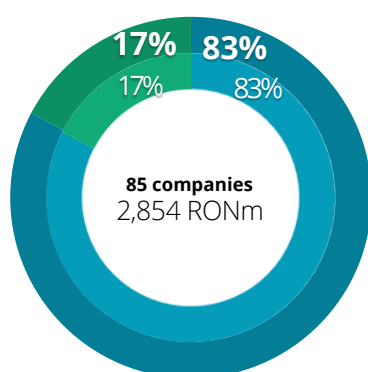
stakes in **3** companies, worth **232,47 RONm**
(31,12,2022: 3 companies, worth 223,05 RONm)

■ **over 50%**

majority stakes in **13** companies, worth **1,132,43 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 March 31, 2023 (the outer ring), and December 31, 2022 (the inner ring), as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020

STOCK PORTFOLIO - breakdown on liquidity



■ listed companies

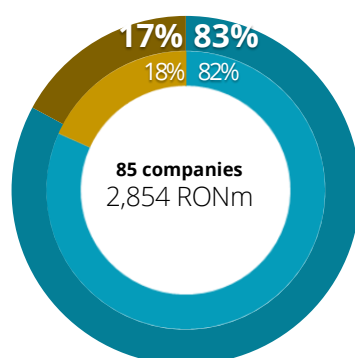
2,361,89 RONm (31,12,2022: 2,336,59 RONm) value of shareholdings in **28** companies (31,12,2022: 32)

■ unlisted companies

492,47 RONm (31,12,2022: 492,84 RONm) value of shareholdings in **57** companies (31,12,2022: 60)

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

STOCK PORTFOLIO - geographical exposure



■ Romania

2,365,19 RONm (31,12,2022: 2,313,10 RONm) value of shareholdings in **83** companies (31,12,2022: 90)

■ foreign markets

489,16 RONm (31,12,2022: 516,23 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 March 31, 2023 (the outer ring), and December 31, 2022 (the inner ring), as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020

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

Company (symbol)	Sector	Stake	Value of holding* [RON]	% of NAV
1 Banca Transilvania (TLV)	banking - financial	4,78%	659.165.891	19.95%
2 SIF Imobiliare Plc (SIFI)	real estate	99,99%	368.402.807	11.15%
3 SIF1 IMGB	real estate	99,92%	244.084.459	7.39%
4 Biofarm (BIO)	pharmaceuticals	36,75%	232.466.009	7.04%
5 SIF Muntenia (SIF4)	financial (AIF)	17,93%	164.576.383	4.98%
6 OMV Petrom (SNP)	energy – utilities	0,57%	163.514.895	4.95%
7 BRD Groupe Société Générale (BRD)	banking – financial	1,95%	161.752.104	4.90%
8 Vrancart (VNC)	cardboard and paper	75,50%	152.646.908	4.62%
9 Erste Group Bank AG (EBS)	banking – financial	0,19%	120.758.040	3.65%
10 SAI Muntenia Invest	financial (AIFM)	99,98%	88.902.216	2.69%
TOTAL			2,356,269,712	71.31%

* 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 (March 31, 2023)	507,510,056
Outstanding shares (March 31, 2023)	506,520,056
Nominal value	RON 0.1000 / share
Type of shares	common, ordinary, registered, dematerialized, indivisible
Trading market	Regulated spot market of Bucharest Stock Exchange (BVB or BSE), Premium category , listed since November 1, 1999
Trading venue (MIC)	XBSE
BVB (BSE) symbol (ticker)	SIF1
Bloomberg BBGID	BBG000BMN388 (SIF1:RO)
ISIN	ROSIFAACNOR2
Reuters	SIF1.BX
Part of indices	BVB (BSE) indices: BET-FI BET-XT BET-XT-TR BET-BK BET-XT-TRN

SIF1 shares on Bucharest Stock Exchange (BVB/BSE)

The liquidity of the SIF1 stock was much lower compared to the similar period of 2022, in Q1 2023 a total of 1,397,107 shares were traded, representing 0.275% of the total issued securities, the total value of traded shares being of RON 3,423,501.

A transaction with 2.18 million shares worth of RON 5.46m was carried out on the "DEAL" market.

Between February 16 and March 1, in the Public Tender Offer 1.87 million SIF1 shares were purchased, with a total value of RON 4.712m.

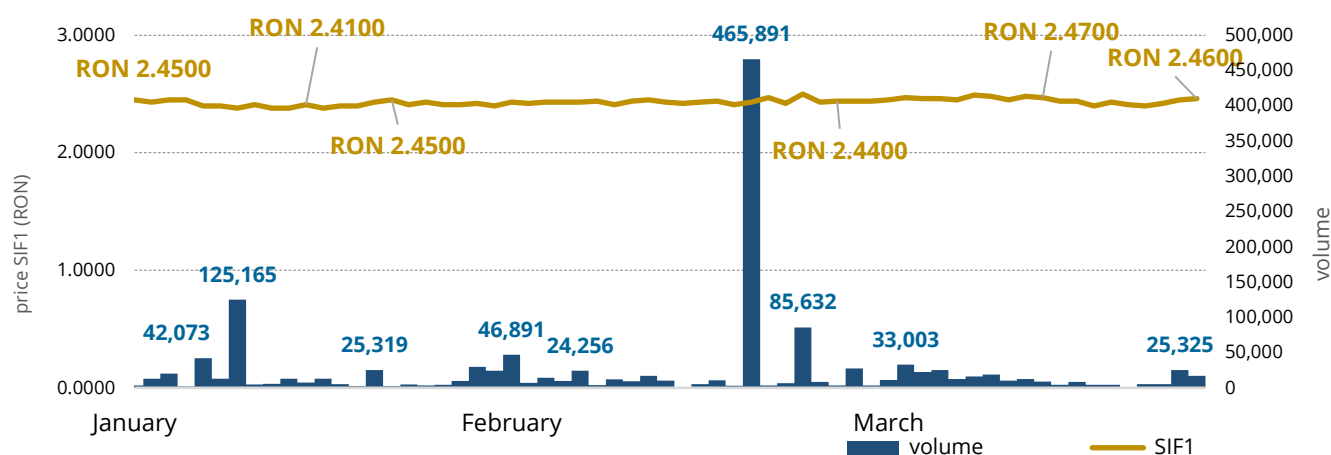
Of the 63 trading days, 28 days were with positive variations (maximum +3.31% on February 28) and 24 days with negative variations (minimum -2.8% on March 1).

The highest closing price the SIF1 share was traded during Q1 2023 was of RON 2.5000 per share, in the session of February 28, and the lowest closing price was of RON 2.3800 per share, in the session of January 13, the trading range between the highest and the lowest of the period being 5%. The average price of the period was of RON 2.4504 per share.

SIF1 share price advance was of 0.41% YtD, while of BET-BK index was 0.91%, and BET-FI index declined -1.38% in Q1 2023.

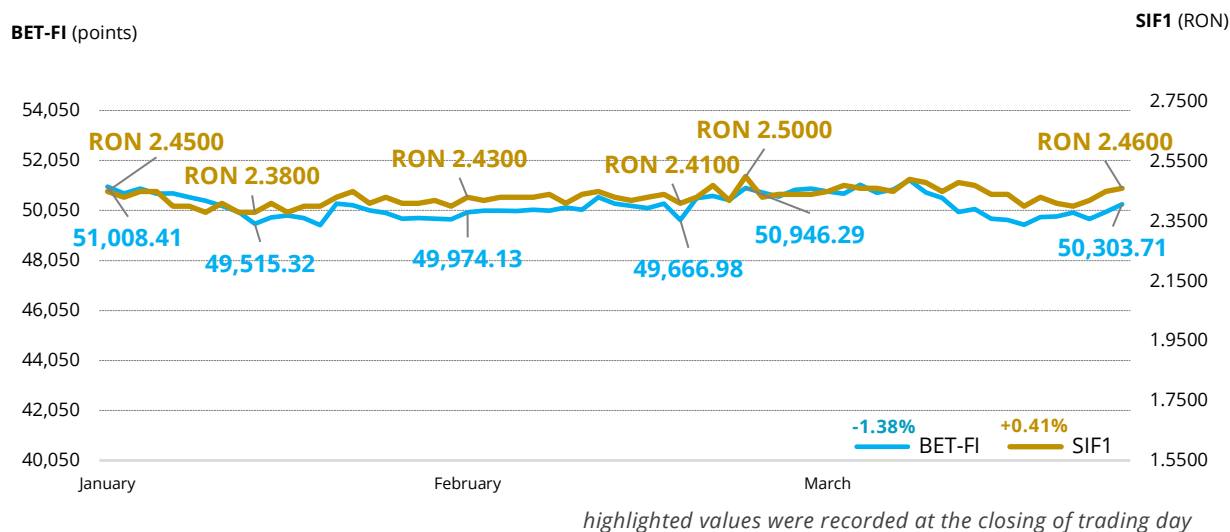
On March 31, 2023, the market capitalization for SIF1 was of RON 1,248.47m for the issued shares, while for the outstanding shares was of RON 1,246.04, calculated using the closing price.

SIF1 PRICE AND VOLUME IN 2023



highlighted values for SIF1 price were recorded at the closing of trading day

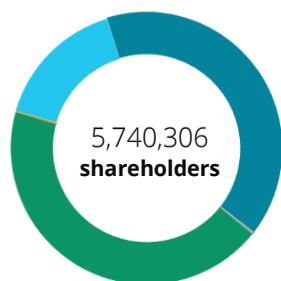
SIF1 vs. BET-FI PERFORMANCE DURING 2023



As of March 31, 2023, Lion Capital has 5,740,306 shareholders, according to the data reported 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 March 31, 2023



■ 40,24%
Romanian individuals
(5,738,043 shareholders)

■ 43,43%
Romanian legal entities
(112 shareholders)

■ 0,20%
Lion Capital
(0,99 m treasury stock)

■ 0,33%
non-resident individuals
(2,128 shareholders)

■ 15,80%
non-resident legal entities
(22 shareholders)

5. THE MANAGEMENT OF SIGNIFICANT RISKS

Lion Capital applies the *Significant Risks Management Policy* and *Work Procedures* on the identification, assessment, measurement and control of risks, documents approved by the company's Board of Directors.

The Board of Directors approves the Fund's appetite and risk tolerance limits, as well as the policies and procedures regarding the significant risks to which the Fund is or may be exposed, and together with the executive management makes sure of their application at the Lion Capital level by using techniques, tools, and appropriate mechanisms.

The assessment of the effectiveness of the risk management system adopted by Lion Capital is carried out by the Board of Directors at least every six months based on the risk reports, depending on the policies, procedures and controls carried out.

The permanent risk management function has a leading role in defining the risk policy, in monitoring and measuring risks, ensuring the permanent compliance of the risk level with the risk profile of the Company assumed by the Board of Directors. The person responsible for risk management has access to all relevant information and provides senior management with up-to-date data on which to take prompt remedial action, if necessary.

Mrs. Hodăjeu Adina Eleonora holds the position of Person responsible for risk management starting from March 9, 2018, no. ASF register: PFR13.2FARA/020053.

The fulfilment of the risk management function is periodically examined by the internal and external audit function.

The company's management structure, through the Board of Directors and the Audit Committee, approves and periodically reviews both the risk strategy and the significant risk management policy.

The significant risk management **strategy** is based on risk management objectives and monitors three parameters: risk appetite, risk profile and risk tolerance. The strategy of Lion Capital's Board of Directors is to assume a **medium-level risk appetite**.

This objective takes into account the fact that, in conditions of economic difficulties, the Fund will objectively accept a higher level of risk coming from the existing exposures of the portfolio but will take all necessary measures to reduce the risk appetite for new (future) exposures.

The objectives of the Risk Management office for the year 2023 have in mind both the identification of risk-generating situations in the activity associated with the administration of the Lion Capital portfolio and its secondary risks, as well as the assessment of risks with strict compliance with the regulations specific to the field of activity (both local and directives and European regulations) and the adequacy of work procedures to the new regulations regarding the activity of the AIFM/AIF.

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

Risk profile and risk limits

The risk appetite indicates the level of risk that the Fund is willing to accept, having two components: (i) for existing exposures and (ii) risk level arising from future exposures.

In June 2022, the Board of Directors approved maintaining the **risk appetite at a medium level for the period July 2022 - July 2023**.

Risk limits and profile

The risk management policy is based on a system of limits used to monitor and control the significant risks, according to the risk profile and the approved investment strategy. At Fund's portfolio level, the

risk limits cover the following risks: market risk, liquidity risk, credit and counterparty risk and operational risks and other types of risk, these being evaluated through the risk profile.

The risk profile is assessed quarterly in the periodic risk reports, and it is monitored in relation to the objectives regarding the established risk level. Depending on the evolution of the risk profile in relation to these objectives, as well as the temporal dimension of a certain evolution (for example: the period in which the risk exceeds a certain level), the company can order measures to correct or control the risk factors. The risk profile includes the influence of the entire risk portfolio.

The Board of Directors approved in June 2022 maintaining the **Company's global risk classification at MEDIUM level** in the period July 2022 - July 2023 (until the next annual assessment), if, following periodic monitoring, no need to change it is found.

Main risks the Fund is exposed to

The significant financial risks to which Lion Capital is exposed as AIFRI are **market risk** comprising the subcategories price/position risk, interest rate risk, currency risk and concentration risk, **liquidity risk, credit and counterparty risk, operational risk** comprising subcategories: risk related to technical resources / IT systems, professional risk, model / process risk, risk associated with outsourced activities, and **other risks** comprising subcategories: reputational risk, strategic risk, regulatory risk, tax-related risk, business-environment related risk.

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

a) Market risk

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

The market value of PROXI-85 increased in Q1 2023 by approx. RON 56m (+2.82%) while the portfolio risk decreased compared to the end of 2022, VaR as a percentage of the PROXI-85 portfolio exposure remaining above the 10% level. On 31.03.2023 VaR for the PROXI-85 portfolio was 10.36% of the market value of RON 2,045m. 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 6.10% and the Expected shortfall (Conditional VaR), which indicates the potential loss of the portfolio in extreme cases of exceeding the 99% confidence level, was of 12.82%, down from the data at 2022 year end.

With respect to interest-bearing financial instruments, the Company's policy is to invest in short-term financial instruments in general, thus partially reducing both the risk of fluctuation and the risk of maturity differences (the Company has no liabilities with maturities over 1 year).

The fund is subject to an 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 assets being of 4.51%. Both the bonds and the loan granted fall within the remaining maturity range of up to 5 years.

No derivative financial instruments were used for hedging against 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) represents a weight of 20.01% of total assets as of March 2023, the exposure limit to currency risk, established by the global risk profile for a medium-high currency risk appetite, being respected.

No derivative transactions on the exchange rate were made during the period 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 total assets are the banking sector, investment management and the real estate sector and accumulate 65.57% of total assets. Exposure to the banking sector remains important, issuers from the banking sector and financial instruments issued (equity instruments, deposits, and current accounts) having a weight of 28.93% in TA as of 31.03.2023. Banks are the most exposed to systemic and contagion risk in crisis situations, a positive aspect of these holdings is the liquid nature of the investment.

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 adequate 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 risk management process, the liquidity of the financial instruments portfolio is analysed separately from the liquidity risk related to payment obligations.

The liquidity profile of the stock portfolio is largely influenced by the liquidity of the market on which they are quoted, only 12 companies in the portfolio, quoted on the BSE meeting the liquidity criteria for daily transactions.

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 net LCR indicator as of March 31, 2023, is 62.37 which indicates a higher value of assets compared to the value of current liabilities.

In order to limit / avoid liquidity risk, the Company will adopt a prudential policy on cash outflow.

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 reduced 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 December 2022).

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

The evaluation of the counterparty's credit risk indicators according to the exposure to unlisted or unrated issuers, representing 4.51% of total assets, and according to the exposure to business sectors, representing 3.42% of total assets, reveals an expected loss of 2.1% of the exposure value.

No trades with derivative financial instruments (listed or OTC) were made, so the Fund is not subject to counterparty risk.

d) Operational risk

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

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

For the year 2023, based on the value of assets under management as of the last working day of the previous year, Lion Capital was classified by ASF 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.

During the reporting period, there were no operational risk incidents generated by IT systems, and no expenses associated with operational risks were recorded at the company level.

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 SIF Banat-Crișana is performed both at the initiation of a business relationship and after the transaction, if during it one of the risk factors changes.

The ML/TF risk assessment for the current reporting period indicated that all business partners have a low inherent risk (score 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/TF 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 Fund through an investment policy that complies with the prudential rules imposed by the applicable legal provisions and regulations in force.

During the reporting period, there were no violations of the risk limits at the level of the global risk profile.

Through risk management, both through prior verification of investments and through ex-post monitoring, the Fund 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 the 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 TA of 19.03%) and SIF Imobiliare PLC (weight of 10.64% in TA). These holdings together represent an exposure of 29.67% of the TA, without exceeding the upper limit of 80%.

On 31.03.2023 Lion Capital holds 9,878,329 shares issued by Depozitarul Central, a stake of 3.9057% of the share capital of the issuer, and 142,500 shares issued by the Central Counterparty CCP.RO, a stake of 1.7857% in the share capital of the issuer.

As of 31.03.2023, Lion Capital holds 410,637 shares issued by the market operator Bucharest Stock Exchange, a stake of 5.1016% in the share capital of the issuer.

During 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 assumed not using 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.

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, 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. Lion Capital 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).

During Q1 2023, Lion Capital has not used leverage for its portfolio under management, not having the tools to generate such an effect. As of March 31, 2023, the leverage indicator by the gross method had the value of 99.87%, and by the commitment method 100%.

Sustainability Risk – implementing SFDR

According to Regulation (EU) 2019/2088 on sustainability-related disclosures 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 could 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 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.

It will also be continued the qualitative assessment of the sustainability risk at the organizational level, 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 Q1 2023

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

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

The Extraordinary General Meeting of Shareholders held on February 23, 2023

Gathered in the meeting held on January 17, 2023, the Board of Directors convened the Extraordinary General Meeting of Shareholders (EGMA) of SIF Banat-Crișana for February 23 (24) 2023. The EGM, held on February 23, 2023, at the first call, approved the change of the company's name from "Societatea de Investiții Financiare Banat-Crișana S.A." to "**Lion Capital S.A.**", as well as the corresponding amendment of art. 1 paragraph (1) of the company's Articles of Association, which will have the following content: The name of the company is "Lion Capital S.A.". The new name will be used in all documents, invoices, announcements, publications, and other such documents issued by the company only starting from the date of authorization/approval by the Financial Supervisory Authority (A.S.F.) of the new name.

At the same time, the shareholders also approved other amendments and additions to the company's Articles of Association, concerning:

- the introduction of an express clause, according to which "abstentions" will be considered as votes cast, with the consequence of taking them into account when establishing the majority required to approve the decisions of the general meetings of shareholders;
- elimination of the reference to the provisions of Law no. 24/2017 (which regulated the definition of "intermediaries") and the replacement with a general reference to the definition of intermediaries, provided by the applicable legal framework;
- the express regulation of the prerogative of the (executive) directors, to whom management powers have been delegated, to represent the Company in relations with third parties, within the limits of the attributions and powers provided by the internal regulations of the Company and the powers of decision and signature, approved by the Board of Directors administrators, in the absence of the Chairman-CEO and of the Vice-Chairman.

The company has filed with ASF the documentation for authorizing the amendments of the Articles of Association in accordance with Resolution no. 2/23.02.2023 and Resolution no. 3/23.02.2023 adopted by the EGM of February 23, 2023.

By Authorization no. 23/16.03.2023 issued by the Financial Supervisory Authority, the changes occurred in the Company's Articles of Association, including those regarding the change of fund's name, were authorized.

The Public Tender Offer for SIF1 shares

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

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

The results of the public tender offer were published on March 7, 2023, informing investors that 7,673,570 shares representing 1.5120% of the issuer's share capital (oversubscription more than four

times) were submitted within the offer, 1,870,000 shares being repurchased, the total amount paid being of RON 4,712,400. Following the closing of the offer, SIF Banat-Crișana was holding 1,870,000 own shares, representing 0.3685% of its share capital.

Publication of preliminary financial results for 2022

On February 28, 2023, the Company published the preliminary financial results for the year ended December 31, 2022, prepared in accordance with IFRS, through communication in the market (BSE) and posting on the Company's website, at www.lion-capital.ro.

Evaluation methods

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

Fine levied by ASF

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

Disclosure document concerning the shares offered to the members of the management structure

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

- EGM Resolution no. 5/28.04.2022 approving the execution of a buyback program for 990,000 shares (Program 6), to be distributed free of charge to members of Company's management (administrators, directors), in order to build their loyalty as well and to reward their activity within the Company;
- EGM Resolution no. 6/28.04.2022, approving: (i) the use of shares purchased under the Buyback Program 6 for their distribution free of charge to members of the company's 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.

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

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

The disclosure document concerning the shares offered or allotted to members of SIF Banat-Crișana management, prepared as per EU Regulation no. 1129/2017 and ASF Regulation no. 5/2018, is available on company's website, www.sif1.ro, in the *Investor Relations › Continuous Disclosure › 2023*.

Completion of Share-based Payment Plan

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

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

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

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

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

Authorization for the change of company name to Lion Capital SA and of Articles of Association

On March 17, 2023, SIF Banat-Crișana received the Authorization no. 23/16.03.2023 issued by the Financial Supervisory Authority authorizing the changes occurred in the Company's Articles of Association, as per Resolutions no. 2 and no. 3 of the Extraordinary General Meeting of SIF Banat-Crișana Shareholders of 23.02.2023, including those regarding the change of company name from SIF Banat-Crișana SA to **LION CAPITAL SA**.

The company filed with the Trade Register Office attached to the Tribunal of Arad the application for the registration in the Trade Register of the mentions regarding the change of the company's name and the updated constitutive act. The Trade Register Office attached to the Tribunal of Arad released, on March 24, 2023, the Certificate of Recorded Amendments issued on the basis of Decision no. 3610 dated March 23, 2023, as well as the Registration Certificate Series B no. 4692143, by which it was decided the registration in the Trade Register of the amendments regarding the change of the corporate name of the company and the amendments to the Articles of Association.

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

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

The Convening of the Ordinary and the Extraordinary General Meeting of Shareholders of April 27 (28), 2023

The Board of Directors of the Company, gathered in the meeting of March 23, 2023, convened, pursuant to art. 117 of Law no. 31/1990, the ordinary general meeting of shareholders ("OGM") for April 27 (28), 2023, 10:00 a.m. and the extraordinary general meeting of shareholders ("EGM"), for April 27 (28) 2023, 12:00, at the company headquarters in Arad, 35A Calea Victoriei.

Starting from March 27, 2023, all informative materials related to the topics included on the agenda and the draft resolutions subject to the approval of the general meeting, were made available to the shareholders, being published on the Company's website, at www.lion-capital.ro, in the *Investor Relations* section.

7. FINANCIAL POSITION AND RESULTS AS OF MARCH 31, 2023

Lion Capital has prepared the financial statements as of March 31, 2023, pursuant to Rule 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 interim condensed financial statements as of March 31, 2023, are not audited, as there is no legal or statutory requirement.

The following present information the main elements of the financial position and results of the Company as of March 31, 2022:

Condensed standalone statement of financial position

Standalone statement of financial position - extract		
<i>denominated in RON</i>	31/03/2023	31/12/2022
Cash and cash equivalents, bank deposits	55,300,416	26,615,152
Financial assets at fair value through profit and loss (FVTPL)	1,759,121,827	1,723,810,844
Financial assets at fair value through other comprehensive income (FVTOCI)	1,624,964,308	1,624,523,020
Investment property and tangible assets (property, plant, and equipment)	16,603,995	16,674,856
Other assets	9,809,802	13,639,280
Total assets	3,465,800,349	3,405,263,152
Liabilities	158,786,744	162,409,967
Equity (own capital)	3,307,013,605	3,242,853,185
Total liabilities	3,465,800,349	3,405,263,152

Total assets value held as of March 31, 2023, was of RON 3,465.8m, 1.8% higher vs. the value of assets at the end of 2022.

The main patrimonial elements changed compared to the beginning of the period as follows:

- **Cash and cash equivalents** are up vs. 2022-year end, following the sales made during the first three months of 2023.

- **Financial assets at fair value through profit and loss (FVTPL)**, amounting to RON 1,759.1m, with RON 35.3m higher vs. December 31, 2023, due to the effect of recording differences in fair value for fund units and unlisted companies – subsidiaries and associates (with active market) as of March 31, 2023.

- **Financial assets at fair value through other comprehensive income (FVTOCI)**, amounting to RON 1,624m, are at the level recorded on December 31, 2022, as an effect of the compensation of the favourable differences in the fair value of the portfolio of financial assets (quoted shares) recorded on March 31, 2023, with the exits of shares (sales) in the first 3 months of 2023.

- The **Other assets** category decreased compared to the beginning of the period, mainly influenced by the reduction of the profit tax claim on March 31, 2023.

- **Liabilities** present a slightly decrease, mainly because of the payment during the Q1 2023 of the current liabilities existing on December 31, 2022.

- The volume of **equity** (own capital) increased vs. December 31, 2022, mainly on account of the favourable fair value differences related to the portfolio of securities, recorded both within the elements of gain/loss on investments and within other comprehensive income as of March 31, 2023.

Condensed statement of profit and loss and other comprehensive income

Standalone statement of profit or loss and other comprehensive income - extract		
<i>denominated in RON</i>	31/03/2023	31/03/2022
Income		
Dividend income	-	32,900,487
Interest income	2,963,194	829,784
Other operating revenues	76,733	7,573
Gain / (Loss) on investment		
Gain/(loss) from foreign exchange differences	235,890	(261,846)
Gain / (Loss) on financial assets at fair value through profit and loss	33,744,676	(63,686,667)
Expenses		
Commissions expenses	(1,085,885)	(1,029,007)
Other operating expenses	(3,791,880)	(3,641,144)
Profit /(Loss) before tax	32,142,729	(34,880,820)
Income tax	(1,582)	(1,372,701)
Net Profit/(Loss) for the period	32,141,147	(36,253,521)
Other comprehensive income	36,344,458	(103,829,026)
Total comprehensive income for the period	68,485,605	(140,082,547)

Progress of **income** with significant weight was as follows:

- No **dividend income** was recorded as of March 31, 2023

- **Interest income** is significantly higher vs. the same period of the previous year, their higher volume being due both to the higher level of the interest rate and as an effect of recording the interest due for the loan granted to a subsidiary.

Gain / (loss) on investment had the following progress:

- **The net result from exchange rate differences** recorded as of March 31, 2021, is favourable, mainly related to cash in foreign currency held.

- **Gain / (Loss) on financial assets at fair value through profit and loss (FVTPL)** is favourable, amounting to RON 33.7m, vs. a loss of RON 63.6m as of March 31, 2022. The net gain is the result of fair value measurement as of March 31, 2023, of listed shares (subsidiaries and associates) and of fund units.

Expenses as of March 31, 2023, are slightly higher vs. the corresponding period of 2022, as increases were recorded both in commission and operational expenses.

Net Profit as of March 31, 2023, amounting to RON 32.1m, is mainly the effect of result from the measurement at fair value of the abovementioned interests.

Total comprehensive income as of March 31, 2023, is positive, amounting to RON 68.5m, and it is the effect of recognizing in other comprehensive income of the fair value increase, vs. 2022-year end, of the portfolio of financial assets classified in FVTOCI (assets at fair value assets through other comprehensive income - mainly interests in the hospitality sector and extractive industry).

Financial ratios as of March 31, 2023

Ratio	Calculation method	Result as of 31.03.2023
1. Current liquidity ratio ¹⁾	Current assets/Current liabilities	2.82
	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	27
4. Non-current assets turnover ⁴⁾	Turnover / Non-current assets	0.0109

¹⁾ **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 three months of 2023 was of 2.82. This is due to the high level of current assets as of March 31, 2023, 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, 2023, 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 total income as of March 31, 2023, was used.

Turnover ratio calculated as of March 31, 2023, 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 (value of income and gains) 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, 2023, this ratio has a value of 0.0109.

8. EVENTS AFTER THE REPORTING PERIOD

The Ordinary and the Extraordinary General Meeting of Lion Capital's Shareholders of April 27, 2023

The ordinary and the extraordinary general meeting of Lion Capital's shareholders were held on April 27, 2023, starting at 10:00 a.m. (Romanian time), and respectively at 12:00 p.m. (Romanian time), at the first call.

The ordinary general meeting of shareholders approved:

- the standalone financial statements for 2022 FY, based on the discussions and reports presented by the Board of Directors and the financial auditor, including the remuneration report of SIF Banat-Crișana for the year 2022, 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 2022 FY, in the amount of RON 95,467,148, to Other reserves, as own financing sources;
- the consolidated financial statements prepared for the year ending on December 31, 2022, 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 2022 FY;
- the income and expenses budget and the Activity Program for 2023 FY;
- the remuneration due to the members of the Board of Directors for 2023 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 2023 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 amendments to the Company's Articles of Association, as follows:

- art. 6 par (6) is amended and shall read as follows:

The General Meeting of Shareholders shall empower the Board of Directors to buyback the shares of Lion Capital S.A. at the prices set by the Board of Directors, in accordance with the applicable legal regulations and within the limits approved by the general meeting of shareholders.

- art. 7 par. (5) is amended and shall read as follows:

The Board of Directors elects a chairman and a vice-chairman from among its members. The Chairman of the Board of Directors will also perform the function of CEO (chief executive officer) of the company. The Vice-Chairman of the Board of Directors may also perform the function of Deputy General Director.

- art. 7 par. (14) is amended and shall read as follows:

The Board of Directors delegates the management of the Company to the directors, at the same time determining their remuneration, within the general limits approved by the General Meeting of Shareholders. The directors of the company shall meet the minimum requirements regarding integrity, qualification and professional experience provided by the applicable regulations and legal provisions in force. The duties and powers of decision and signature, as well as the way of organizing the activities of the directors, are provided in the internal regulations of the Company, approved by the Board of Directors.

- art. 7 par. (15) is amended and shall read as follows:

The Chairman-CEO or, in his/her absence, the vice-chairman, if he/she holds the position of deputy general director or, in the absence of the latter, the other directors to whom management has been delegated, represents the company in relations with third parties, within the limits of the duties and powers provided by the internal regulations of the Company and the powers of decision and signature, approved by the Board of Directors.

• **the execution of a buyback program ("Program 7") in compliance with applicable legal provisions and having the following main features:**

- (i) The purpose of Program 7: The Company will repurchase shares under the Program 7 for the distribution free of charge to members of the Company's management (administrators, executive directors) in order to build 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: 990,000 shares at most;
- (iii) The minimum price per share: RON 0.1;
- (iv) The maximum price per share: RON 6.5747;
- (v) Duration of Program 7: 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 7 will be paid from sources permitted by law.

Besides its main characteristics, Program 7 will also include other requirements provided by law and which are not listed above. The acquisition of shares under Program 7 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 7, 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 7 for their distribution free of charge to 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 RGM of April 27, 2023, is available for consultation on the Company's website, at www.lion-capital.ro, in the *Investor Relations* section.

Changing the corporate name of the Fund to Lion Capital SA and the stock symbol to LION

By Authorization no. 23/16.03.2023, the Financial Supervisory Authority authorized the changes made to the Company's Articles of Association, in accordance with EGM Resolution no. 2 of February 23, 2023, regarding the change of the corporate name of the company from S.I.F. Banat-Crisana S.A. to Lion Capital S.A., as well as the corresponding amendment to the articles of association.

The fund has carried out all the operations necessary to change the corporate name, both at the administrative, fiscal, and capital market institutions, as well as in the relationship with partners and collaborators.

The new corporate name was registered with the Trade Register Office attached to the Tribunal of Arad through Certificate of recorded amendments no. 8861/20.03.2023 issued on March 24, 2023.

From March 30, 2023, Depozitarul Central SA and the Bucharest Stock Exchange updated the new corporate name in the records under their management.

On May 15, 2023, there will be a ticker change / settlement symbol change from the old stock symbol "SIF1" to the stock symbol "LION". The event will be highlighted by the official opening of the stock exchange session by representatives of BVB, Lion Capital and other guests, thus celebrating a new stage in the existence of the Fund.

9. ANNEXES

- Annex 1** **Condensed interim standalone financial statements** as of March 31, 2023, prepared pursuant to the ASF Rule 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, 2023, prepared pursuant to Annex 10 of Regulation no. 7/2020
- Annex 3** **Detailed statement of investments** as of March 31, 2023, pursuant to Annex 11 of Regulation no. 7/2020

The quarterly report prepared as of March 31, 2023, was approved by the Board of Directors of Lion Capital in the meeting held on May 12, 2023.

Bogdan-Alexandru DRĂGOI
Chairman and CEO

Lion Capital S.A.

**Condensed interim standalone financial statements
as of March 31, 2023**

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

unaudited

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

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Condensed statement of profit and loss and other comprehensive income as of March 31, 2023

<i>Denominated in RON</i>	<i>Note</i>	March 31, 2023	March 31, 2022
Income			
Dividend income	5	-	32,900,487
Interest income (assets at amortized cost, assets at FVTOCI)	6	62,830	128,688
Interest income (assets at FVTPL)	6	2,900,364	701,096
Other operating revenues		76,733	7,573
Gain/(Loss) on investment			
Gain/(Loss) on investment property			-
Gain/(Loss) on foreign exchange differences		235,890	(261,846)
Gain/(Loss) on financial assets at FVTPL	7	33,744,676	(63,686,667)
Expenses			
Commissions expenses	8	(1,085,885)	(1,029,007)
Other operating expenses	9	(3,791,880)	(3,641,144)
Profit/(Loss) before tax		32,142,729	(34,880,820)
Income tax	11	(1,582)	(1,372,701)
Net profit/(loss) for the period		32,141,147	(36,253,521)
Other comprehensive income			
Items that are or could be transferred to profit and loss			
Amounts that could be transferred to profit and loss (debt instruments)		-	(5,692)
Items that are or could be transferred to retained earnings			
Change of fair value related to financial assets measured through OCI		39,890,451	(123,762,020)
Effect of income tax related to them		(3,545,993)	19,938,686
Other comprehensive income		36,344,458	(103,829,026)
Total comprehensive income for the period		68,485,605	(140,082,547)
Earnings per share			
Basic		0.0634	(0.0714)
Diluted		0.0634	(0.0714)

The condensed interim financial statements were approved by the Board of Directors on May 12, 2023, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman and CEO

Nicoleta Zoț
Chief Accountant

Condensed statement of financial position as of March 31, 2023

<i>Denominated in RON</i>	<i>Note</i>	March 31, 2023	December 31, 2022
Assets			
Cash and cash equivalents	11	55,300,416	26,615,152
Other financial assets	14	9,077,892	12,834,480
Other assets		317,437	328,155
Financial assets at fair value through profit and loss	12	1,759,121,827	1,723,810,844
Financial assets at fair value through other comprehensive income (shares)	13	1,624,964,308	1,624,523,020
		414,474	
Assets representing rights to use the underlying assets under leasing contract			476,645
Investment property	15	12,963,376	12,963,376
Tangible assets (items of property, plant, and equipment)		3,640,619	3,711,480
Total assets		3,465,800,349	3,405,263,152
Liabilities			
Payable dividends		9,992,979	10,042,310
Other financial liabilities	16	12,125,383	15,038,374
Other deferred liabilities and revenues		701,345	251,682
Liabilities on leasing contract		463,992	530,880
Liability on deferred income tax	17	135,503,045	136,546,721
Total liabilities		158,786,744	162,409,967
Equity (own capital)			
Share capital	18	50,751,006	50,751,006
Treasury shares	18	(2,494,800)	-
Losses from the repurchase of own shares		(31,973)	-
Benefits granted in equity instruments		202,125	2,000,537
Other reserves	18	1,604,099,887	1,604,099,887
Reserves from the revaluation of tangible assets		1,176,569	1,176,569
Legal reserves	18	10,150,201	10,150,201
Reserves from revaluation of financial assets designated at FVTOCI	13, 18	758,970,814	741,827,359
Retained earnings	18	884,189,776	832,847,626
Total equity (own capital)		3,307,013,605	3,242,853,185
Total liabilities and equity		3,465,800,349	3,405,263,152

The condensed interim financial statements were approved by the Board of Directors on May 12, 2023, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman and CEO

Nicoleta Zoț
Chief Accountant

Condensed Statement of Changes in Equity as of March 31, 2023

Denominated in RON

	Share capital	Treasury shares	Losses from the repurchase of own shares	Legal reserves	Reserves from the revaluation of financial assets at fair value through other comprehensive income	Reserves from revaluation of tangible assets	Benefits granted in equity instruments	Other reserves	Retained earnings	Total
Balance on January 1, 2023	50,751,006	-	-	10,150,201	741,827,359	1,176,569	2,000,537	1,604,099,887	832,847,626	3,242,853,185
Profit/(Loss) for the period	-	-	-	-	-	-	-	-	32,141,147	32,141,147
Reserve from revaluation of financial assets transferred to profit and loss	-	-	-	-	-	-	-	-	-	-
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-	-	(24,025,895)	-	-	-	24,025,895	-
Change in reserve	-	-	-	-	39,890,451	-	-	-	-	39,890,451
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	1,278,899	-	-	-	(4,824,892)	(3,545,993)
Total comprehensive income for the period	-	-	-	-	17,143,455	-	-	-	51,342,150	68,485,605
Other reserves – own sources	-	-	-	-	-	-	-	-	-	-
Change of granted benefits	-	2,217,600	28,420	-	-	-	(1,798,412)	-	-	447,608
Repurchase own shares	-	(4,712,400)	(60,393)	-	-	-	-	-	-	(4,772,793)
Total transactions with shareholders recognized directly in equity	-	(2,494,800)	(31,973)	-	-	-	(1,798,412)	-	-	(4,325,185)
Balance on March 31, 2023	50,751,006	(2,494,800)	(31,973)	10,150,201	758,970,814	1,176,569	202,125	1,604,099,887	884,189,776	3,307,013,605

The condensed interim financial statements were approved by the Board of Directors on May 12, 2023, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman and CEO

Nicoleta Zoț
Chief Accountant

Condensed Statement of Changes in Equity as of March 31, 2023

<i>Denominated in RON</i>	Share capital	Treasury shares	Losses from the repurchase of own shares	Legal reserves	Reserves from the revaluation of financial assets at fair value through other comprehensive income	Reserves from revaluation of tangible assets	Benefits granted in equity instruments	Other reserves	Accumulated profit	Total
Balance on January 1, 2022	51.542.236	(21.363.229)	(330.998)	10.308.447	984.425.325	1.176.569	-	1.249.578.037	1.140.789.898	3.416.126.285
Profit/(Loss) for the period	-	-	-						(36.253.521)	(36.253.521)
Reserve from revaluation of financial assets transferred to profit and loss	-	-	-							
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-		(1.546.459)	-	-	-	1.546.459	-
Change in reserve	-	-	-		(123.768.796)	-	-	-	-	(123.768.796)
Revaluation of tangible assets	-	-	-		-	-	-	-	-	-
Related deferred tax	-	-	-		20.086.900	-	-	-	(147.130)	19.939.770
Total comprehensive income for the period	-	-	-	-	(105.228.355)	-	-	-	(34.854.192)	(140.082.547)
Other reserves – own sources	-	-	-	-	-	-	-	-	-	-
Payable dividends for 2020	-	-	-	-	-	-	-	-	-	-
Lapsed dividends	-	-	-	-	-	-	-	-	-	-
Change of granted benefits	-	-	-	-	-		363.734			363.734
Cancellation of treasury shares	-	-	-	-	-					
Total transactions with shareholders recognized directly in equity	-	-	-	-	-		363.734	-	-	363.734
Balance on March 31, 2022	51.542.236	(21.363.229)	(330.998)	10.308.447	879.196.970	1.176.569	363.734	1.249.578.037	1.105.935.706	3.276.407.472

The condensed interim financial statements were approved by the Board of Directors on May 12, 2023, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman and CEO

Nicoleta Zoț
Chief Accountant

Condensed cash flow statement as of March 31, 2023

Denominated in RON

Note **March 31, 2023** **March 31, 2022**

Operating activities

Net profit/(Loss) for the period		32,141,147	(36,253,521)
<i>Adjustments for:</i>			
Depreciation of tangible and intangible assets		138,729	135,392
(Gain)/Loss from financial assets at fair value through profit and loss	7	(33,744,676)	63,686,667
Dividend income	5	-	(32,900,487)
Interest income	6	(2,963,194)	(829,784)
Expenses on interest on leasing contract		6,918	10,701
Expenses/(Income) on foreign exchange differences financial, assets and financial liabilities, other expenses		43,576	9,150
Benefits granted in equity instruments		357,592	363,734
Income tax	10	1,582	1,372,701

Changes in operating assets and liabilities

Change in other assets (claims, etc.)		55,626	33,185
Change in other financial liabilities		(2,916,769)	3,380,188
Income tax paid		-	-

Net cash used in operating activities

(6,879,469)	(992,391)
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Investment activities

Payments for acquisition of financial assets measured at FVTOCI (shares, bonds)	13	-	(215,911,243)
Proceeds from sales of financial assets measured at FVTOCI (shares, bonds)	13	39,449,163	2,635,465
(Placements) / Proceeds from term deposits greater than three months		-	51,136,139
Proceeds from sale/repurchase of assets at FVTPL (shares, fund units, bonds)		-	(378,149)
Payments for purchase of assets at FVTPL (shares, fund units, bonds)		-	-
Proceeds from sale of tangible assets and investment property		-	(3,091)
Payments for purchases of tangible assets		-	318
Dividends collected		-	470,702
Interest collected		1,010,866	

Net cash from investment activities

40,460,029	(162,049,858)
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Financing activities

Payments related to leasing		(73,505)	(73,991)
Dividends paid		(49,331)	-
Repurchase own shares		(4,772,460)	-

Net cash used in financing activities

(4,895,296)	(73,991)
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Net increase / (Decrease) in cash and cash equivalents

28,685,264	(163,116,240)
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Cash and cash equivalents on January 1

26,615,152	260,126,530
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Cash and cash equivalents at the end of the period

55,300,416	97,010,291
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The condensed interim financial statements were approved by the Board of Directors on May XX, 2023, and were signed on its behalf by:

Bogdan-Alexandru Drăgoi
Chairman and CEO

Nicoleta Zoț
Chief Accountant

1. Reporting entity

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

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

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

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

The main activity of the company:

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

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

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

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

2. Basis of preparation

(a) Statement of compliance

These condensed interim financial statements as of March 31, 2023, were prepared up in accordance with Rule no. 39/2015 for the approval of accounting regulations in accordance with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector (the Rule) and with the requirements of IAS 34 "Interim financial reporting" and must be read together with the standalone financial statements for 2022.

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

In accordance with IAS 27 and IFRS 10, starting from the financial year 2018, the Company measures all its subsidiaries at fair value through the profit or loss account, except for subsidiaries providing investment-related services, which will continue to be consolidated. Under these conditions, the Company will prepare two sets of financial statements: standalone and consolidated, in accordance with the provisions of IFRS 10 and IAS 27. At the same time, the Company reviewed the analysis regarding the fulfilment of the classification criteria as an investment entity for the years 2021 and 2022, concluding that they are met and that it will apply the exception provided by IFRS 10 regarding investment entities and for the financial statements related to the financial years 2022 and 2023.

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

(b) Presentation of the financial statements

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

(c) Basis of measurement

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

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgements

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

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

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

(f) Changes in the accounting policies

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

3. Significant accounting policies - extract

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

Assets and financial liabilities

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

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

(i) Classification

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

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

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

Business model

- Represents the way an entity manages its financial assets to generate cash flows: *collecting, sale of assets, or both*;

- Determining it is factually realized considering: *the manner of assessment and reporting of its performance*, the existing *risks* and their *management*, respectively the way of *compensating the management* (based on the fair value or the cash flows associated with these investments);

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

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

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

Model of assets held for collecting

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

Model of assets held for collecting and sale

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

Other business model

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

SPPI test

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

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

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

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

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

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

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

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

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

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

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

Financial instruments measured at amortized cost

A financial asset must be measured at amortized cost if both conditions below are met:

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

Financial liabilities

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

- meet the requirements of the definition of being “held for trading”
- are designated in the FVTPL category at the initial recognition (if the specific requirements are met).

The other financial debts are measured at amortized cost.

(ii) Recognition

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

(iii) Measurement

After the initial recognition, the entity must measure (evaluate) the financial assets according to pt. 4.1.1 – 4.1.5 of IFRS 9 at:

- a) Amortized cost;
- b) Fair value through other comprehensive income; or
- c) Fair value through profit and loss.

After the initial recognition, the entity must measure the financial liabilities according to pt. 4.2.1-4.2.2 of IFRS 9. Thus, the Company will classify all financial liabilities at amortized cost, except for:

- a) the financial liabilities measured at fair value through profit and loss;
- b) the financial liabilities that appear when the transfer of a financial asset does not qualify for derecognition;
- c) financial collateral contracts valued at the highest value of the loss provision (Section 5.5 of IFRS 9) and the amount initially recognized less accumulated income (recognized under IFRS 15);
- d) commitments to provide a loan at an interest rate below the market value measured at the highest value of the loss provision (Section 5.5 of IFRS 9) and the amount initially recognized less accumulated income (recognized under IFRS 15)
- e) contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

Measurement at amortized cost

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

The effective interest rate represents the rate that precisely updates the future proceeds in cash during the forecasted life of the financial instrument up to the level of the gross carrying amount of the financial asset

or of the financial liability. For the calculation of the effective interest rate, the entity must estimate the cash flows considering all contractual conditions of the financial instrument but must not consider the future losses from the changes in credit risk. The calculation includes all commissions paid or cashed by the contracting parties that make integral part of the effective interest rate, transaction costs and all the other premiums and discounts.

Measurement at fair value

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

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

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

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

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

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

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

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

The valuation techniques are used consistently.

(iv) Identification and measurement of value impairment

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

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

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

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

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

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

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

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

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

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

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

(v) Derecognition

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

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

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

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

(vi) Reclassifications

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

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

If a reclassification occurs, the Company proceeds as follows:

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

- When reclassifying an asset from fair value through other comprehensive income category to fair value through profit and loss, the financial asset continues to be measured at fair value. Amounts previously recognized in other comprehensive income are reclassified from equity to profit and loss as a reclassification adjustment (as per IAS1).

(vii) Gains and losses

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

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

Gains on shares measured at fair value through other comprehensive income are recognized as follows:

- Changes in fair value (including exchange rate) in other comprehensive income
- Dividend income is recognized in profit and loss

Gains on debt instruments (bonds):

- Changes in fair value (including exchange rate) in other comprehensive income
- Interest income is recognized in profit and loss

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

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

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

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

Other financial assets and liabilities

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

4. Management of significant risks

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

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

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

4.1 Financial risks

(a) Market risk

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

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

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

Concentration risk

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

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

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

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

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

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

(i) Equity (own capital) price risk

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

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

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

A positive change of 10% in the price of financial assets at fair value through profit and loss (shares of subsidiaries, associates, fund units and corporate bonds) would lead to an increase in profit after tax by RON 157,414,180 (December 31, 2022: RON 154,210,928), a negative change of 10% having an equal net impact in the opposite direction.

A positive change of 10% in the prices of financial assets measured at fair value through other comprehensive income, investments in shares and corporate bonds, would lead to an increase in equity, net of tax, of RON 142,638,235 (December 31, 2022: RON 139,304,936), a negative change of 10% having an equal net impact in the opposite direction.

The company holds stakes in companies operating in various sectors. As it can be noticed from the table below, as of March 31, 2023, the Company mainly held shares in companies in the banking-financial and insurance field, having a weight of 44.3% on the total portfolio, slightly decreasing from the weight of 46.7% as of December 31, 2022.

in RON	March 31, 2023	%	December 31, 2022	%
Financial intermediation and insurance	1,263,680,356	44.3%	1,320,286,502	46.7%
Manufacturing industry	725,756,117	25.4%	706,121,167	24.9%
Hotels and restaurants	175,785,939	6.2%	133,536,179	4.7%
Wholesale and retail trade, repair of motor vehicles	39,160,957	1.4%	39,160,957	1.4%
Extractive industry	163,514,895	5.7%	149,134,107	5.3%
Other activities	305,109	0.0%	701,349	0.0%
Financial services applicable to real estate	425,458,460	14.9%	425,284,860	15.0%
Constructions	3,277,719	0.1%	3,277,721	0.1%
Transportation and storage	42,430,596	1.5%	38,232,508	1.4%
Rental of real-estate	14,281,270	0.5%	14,281,270	0.5%
Agriculture, forestry, and fishing	2,113	0.0%	151,925	0.0%
TOTAL	2,853,653,532	100%	2,830,168,544	100%

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

As of March 31, 2023, and December 31, 2022, the Company holds fund units amounting to RON 373,640,774 (December 31, 2022: RON 362,939,797) in the closed end investment funds Active Plus, Optim Invest, Certinvest Shares, Star Value, and Romania Strategy Fund. The Company is exposed to price risk in terms of placements made with different risk degrees by these Investment Funds.

(ii) Interest rate risk

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

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

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

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

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

The following table shows the annual interest rates earned by the Company for interest-bearing assets during first quarter of 2023:

Financial assets	RON interval		EUR interval	
	Min	Max	Min	Max
Bank deposits	4.86	6.75	-	-
Financial assets at fair value through profit and loss*	9.27	10.2	5.63	5.63

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

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

Financial assets	RON interval		EUR interval	
	Min	Max	Min	Max
Bank deposits	0.80	3.30	0.06	0.12
Financial assets at fair value through profit and loss*	4.30	5.05	-	-
Financial assets at fair value through other comprehensive income**	-	-	5.75	5.75

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

** Corporate bonds issued by Impact (in euro) are included in the financial assets at fair value through other items of comprehensive income

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

<i>in RON</i>	March 31, 2023	December 31, 2022
Cash and cash equivalent*	3,240,000	6,625,573
Financial assets at FVTPL – corporate bonds	37,612,296	37,612,296
Financial assets at FVTOCI – corporate bonds	115,845,003	115,805,211
TOTAL	156,697,299	160,043,080

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

The impact on the Company's net profit (through interest income) of a change of $\pm 1.00\%$ in the interest rate on variable interest rate assets and liabilities denominated in other currencies in conjunction with a change

of $\pm 1.00\%$ in the interest rate related to the assets and liabilities bearing variable interest and expressed in RON is of RON 1,316,257 (December 31, 2022: RON +/-1,344,362).

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

(iii) Currency risk

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

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

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

Financial assets exposed to foreign currency risk (in RON)
in RON

	March 31, 2023	December 31, 2022
Cash and cash equivalent	51,061,931	19,781,888
Financial assets at FVTPL – (including assets held by investment funds) *	144,915,629	126,798,355
Financial assets at FVTOC**	120,758,040	147,927,260
Total assets	316,735,601	294,507,503
Liabilities on leasing contract	(463,991)	(530,880)
Total liabilities	(463,991)	(530,880)
Net financial assets	316,271,609	293,976,623

* Financial assets at fair value through profit or loss include euro bonds and foreign exchange holdings of closed-end investment funds, proportional to the Company's holding in their net assets.

** Financial assets at fair value through other comprehensive income in EUR result include holdings held abroad, namely Austria - Erste Bank.

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

	March 31, 2023		December 31, 2022	
	Impact on P&L	Impact on OCI	Impact on P&L	Impact on OCI
5% EUR increase (2022: 5%)	8,211,570	5,071,838	6,134,073	6,212,945
5% EUR decrease (2022: 5%)	(8,211,570)	(5,071,838)	(6,134,073)	(6,212,945)
Total	-	-	-	-

(b) Credit risk

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

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

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

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

March 31, 2023	Current accounts	Bank deposits	Loan granted	Bonds (measured at FVTPL)	Other financial assets	Total
Current and not impaired Rating AAA to A- BBB+	50,977,294	3,240,000	-	-	-	54,217,294

Selected explanatory notes to the condensed financial statements as of March 31, 2023

March 31, 2023	Current accounts	Bank deposits	Loan granted	Bonds (measured at FVTPL)	Other financial assets	Total
BBB	20,591	-	-	-	-	20,591
BBB-	1,903	-	-	-	-	1,903
BB+	1,051,302	-	-	-	-	1,051,302
BB	3,312	-	-	-	-	3,312
NR	-	-	118,561,432	38,230,398	9,077,892	165,869,722
TOTAL	52,054,401	3,240,000	118,561,432	38,230,398	9,077,892	221,164,123

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

The Company's maximum exposure to credit risk is of RON 221,164,123 as of March 31, 2023 (December 31, 2022: RON 194,660,696) and can be analysed as follows:

	Credit rating			March 31, 2023	December 31, 2022
BRD - Groupe Société Générale	BBB+	BRD - Groupe Société Générale	Fitch	14,354,851	14,394,427
Banca Transilvania	BB+	Banca Transilvania	Fitch	1,051,302	5,788,844
Banca Comercială Română	BBB+	Banca Comercială Română	Fitch	39,862,443	6,390,525
CEC Bank	BB	CEC Bank	Fitch	3,312	3,491
Exim Bank	BBB-	Exim Bank Romania	Fitch	1,903	2,123
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italia	Fitch	20,468	20,847
UniCredit Tiriatic	BBB	UniCredit Tiriatic	Fitch	123	435
TOTAL (Note 11)				55,294,401	26,600,693

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

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

The Company's exposure to credit and counterparty risk through corporate bonds held as of March 31, 2023, is presented in the following table:

Issuer	Quantity	Nominal value	Interest rate	Value as of March 31, 2023 (RON)	Maturity	
Vrancart SA*	RON	368,748	100.00	9.27%	37,612,296	2024
Total					37,612,296	

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

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

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

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

(c) Liquidity risk

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

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

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

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

in RON

	Book value	Less than 3 months	3 to 12 months	Over 1 year	No fixed maturity
March 31, 2023					
Financial assets					
Cash and cash equivalent	55,300,416	55,300,416	-	-	-
Bank deposits	-	-	-	-	-
Financial assets at FVTPL	1,759,121,827	618,102	156,173,728	-	1,602,329,996
Financial assets at FVTOCI	1,624,964,308	-	-	-	1,624,964,308
Other financial assets	9,795,369	9,795,369	-	-	-
Total financial assets	3,449,181,920	65,713,888	156,173,728	-	3,227,294,304
Financial liabilities					
Dividends payable	9,992,979	9,992,979	-	-	-
Other financial liabilities	12,125,383	12,125,383	-	-	-
Liabilities on leasing contract	463,992	67,911	209,906	186,174	-
Total financial liabilities	22,582,354	22,186,273	209,906	186,174	-
Liquidity surplus	3,426,599,566	43,527,614	155,963,822	(186,174)	3,227,294,304

in RON

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

4.2 Other risks

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

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

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

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

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

(a) Taxation risk

Starting with 1 January 2007, following Romania's accession to the European Union, the Company had to comply with the EU regulations and, therefore, prepared to implement changes brought by the European

legislation. The Company has implemented these changes, but their implementation remains open to tax audit for 5 years.

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

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

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

(b) Economic environment risk

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

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

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

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

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

(c) Operational risk

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

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

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

(d) Capital adequacy

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

The Company's equity includes the share capital, various types of reserves and the retained earnings. Equity amounted to RON 3,307,013,605 as of March 31, 2023 (RON 3,242,853 as of December 31, 2022).

5. Dividend income

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

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

<i>denominated in RON</i>	March 31, 2023	March 31, 2022	Measurement
BRD - Groupe Société Générale	-	32,900,487	FVTOCI
Total	-	32,900,487	

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

6. Interest income

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

<i>denominated in RON</i>	March 31, 2023	March 31, 2022
Interest income on bank deposits and current accounts	62,830	55,051
Interest income on assets measured through other comprehensive income (corporate bonds)	-	73,637
	62,830	128,688

Interest income (assets at FVTPL)

<i>denominated in RON</i>	March 31, 2023	March 31, 2022
Interest income on corporate bonds	865,417	440,984
Interest income related to the transfer of financial assets*	432,160	260,112
Interest income related to a loan agreement	1,602,788	-
	2,900,364	701,096

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

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

<i>denominated in RON</i>	March 31, 2023	March 31, 2022
Profit / (Loss) from measurement/transfer of fund units	10,700,977	1,945,877
Profit / (Loss) from measurement of bonds	-	-
Profit / (Loss) from measurement of shares in subsidiaries and associates	23,043,699	(65,632,544)
Total	33,744,676	(63,686,667)

As of March 31, 2023, and March 31, 2022, the Company measured the investments held in fund units, the shares held in subsidiaries and associates (measured on level 1), and the bonds held, through the profit and loss account, resulting an increase of RON 33.7m (March 31, 2022: decrease amounting to RON 63.7m).

8. Fees and commissions expenses

<i>denominated in RON</i>	March 31, 2023	March 31, 2022
Financial Supervisory Authority commissions	776,266	781,039
Depository (bank) fees	183,530	182,947
Commissions due for transactions	48,887	4,906
Registry fees	61,108	45,240
Other fees and commissions	16,093	14,875
Total	1,085,885	1,029,007

9. Other operating expenses

<i>denominated in RON</i>	March 31, 2023	March 31, 2022
Expenses on other taxes, fees, and assimilated payments	30,146	35,262
Expenses on salaries and other personnel expenses	2,976,375	2,819,868
Depreciation expenses	76,558	74,890
Expenses on external services	639,713	639,921
Expenses on interest and depreciation of assets with the right to use under the leasing contract	69,089	71,204
Total	3,791,880	3,641,144
Expenses on salaries	2,462,422	2,308,718
Stock Option Plan expenses	357,592	363,734
Expenditure on insurance and social protection	85,857	97,753
Other personnel expenses	70,504	49,663
Total	2,976,375	2,819,868

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

In the period ended on March 31, 2023, the average number of employees was of 31 (March 31, 2022: 32), and the actual number of employees recorded at the end of the reporting period was of 31 (March 31, 2022: 31).

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

10. Income tax

<i>denominated in RON</i>	March 31, 2023	March 31, 2022
Current income tax		
Current income tax (16%)	1,582	(272,323)
Tax on dividend (0%, 5%)	-	1,645,024
Expense on / (income from) deferred tax	-	-
Financial assets at FVTOCI	-	-
Financial assets at FVTPL	-	-
Tangible assets / Investment property	-	-
Total income tax recognized in result for the period	1,582	1,372,701

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

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

<i>denominated in RON</i>	March 31, 2023	March 31, 2022
Profit before tax	32,142,729	(34,880,820)
Tax under statutory tax rate of 16% (2022: 16%)	5,142,837	(5,580,931)
Income tax effect of:		
Tax on dividend (5%)	-	1,645,024
Non-deductible expenses and similar items	1,979,663	10,620,320
Non-taxable revenues	(5,599,941)	(5,313,698)
Revenue related items	5,593,780	337,105
Expenses related items	(829,234)	-
Recoverable tax loss	(1,614,775)	-
Deferred tax	-	-
Amounts of sponsorship within legal limits and other deductions	(81,081)	-
Tax recognized in retained earnings	(4,589,667)	(335,118)
Income tax	1,582	1,372,701

11. Cash and cash equivalents

<i>denominated in RON</i>	March 31, 2023	March 31, 2022
Petty cash and other valuables	5,561	3,350
Current accounts in banks	52,054,401	19,975,119
Deposits in banks with original maturity less than 3 months (including interest)	3,240,455	6,636,683
Cash and cash equivalents with maturity less than 3 months	55,300,416	26,615,152

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

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

<i>denominated in RON</i>	March 31, 2023	March 31, 2022
Shares	1,228,689,222	1,205,645,523
Fund units	373,640,774	362,939,797
Loan granted	118,561,432	116,912,505
Corporate bonds (including attached interest)	38,230,399	38,313,018
Total	1,759,121,827	1,723,810,844

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

The movement of the financial assets measured at fair value through profit and loss account as of March 31, 2023, is presented in the next table:

<i>denominated in RON</i>	Shares	Fund units	Loans granted	Corporate bonds	Total
January 1, 2023	1,205,645,522	362,939,797	116,912,505	38,313,018	1,723,810,844
Acquisitions					
Sales					
Change in interest receivable	-	-	1,602,788	(82,619)	1,520,169
Change in fair value (including foreign exchange differences)	23,043,699	10,700,977	46,139		33,790,815
March 31, 2023	1,228,689,222	373,640,774	118,561,432	38,230,399	1,759,121,827

On March 31, 2023, the shares held in subsidiaries and associated entities (level 1) were measured at fair value, the difference being a favourable one amounting to RON 23m (vs. the value on December 31, 2022). The measurement of fund units at fair value as of March 31, 2023, generated a favourable difference of RON 10.7m (vs. the value on December 31, 2022).

The movement of financial assets measured at fair value through profit and loss account in 2021 is presented in the following table:

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

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

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

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

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

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

<i>denominated in RON</i>	Shares *
January 1, 2023	1,624,523,020
Acquisitions	-
Sales	(39,449,163)
Change of interest receivable	-
Change in fair value (including foreign exchange differences)	39,890,451
March 31, 2023	1,624,964,308

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

Sales of shares amounting to RON 39.4 mainly include the sale of Erste Bank and stakes held in Comelf, Urbana, Anteco, IFB Flinwest, Grup Bianca and Bizooofruct, the amount transferred to retained earning related to these being of RON 24m.

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

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

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

** SPPI tested and recognized as held to collect and sale

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

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

Exits from bonds include the value of Impact bonds cashed in at maturity (December 2022).

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

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

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

The fair value of the financial instruments for which there is no active market (Level 2 and 3) and those that are not traded is determined by external appraisers using techniques based on the present net value, the discounted cash flow method, the method of comparisons with similar instruments for which there is an observable market price. Valuation techniques are used consistently, there are no changes in their application.

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

March 31, 2023			
<i>denominated in RON</i>			
	Level 1	Level 3	Total
Financial assets at FVTPL - shares	385,112,917	843,576,306	1,228,689,223
Financial assets at FVTPL - fund units	373,640,774	-	373,640,774
Financial assets at FVTPL - loan granted	-	118,561,432	118,561,432
Financial assets at FVTPL - bonds	38,230,398	-	38,230,398
Financial assets at FVTOCI - shares	1,470,477,860	154,486,449	,624,964,309
Investment property	-	12,963,376	12,963,376
Land and buildings	-	3,310,605	3,310,605
	2,267,461,950	1,132,898,167	3,400,360,117

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

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

14. Other financial assets

<i>denominated in RON</i>	March 31, 2023	December 31, 2022
Sundry debtors	6,139,726	5,297,290
Other financial assets	3,655,643	8,254,666
Impairment for depreciation of sundry debtors	(717,477)	(717,477)
Total	9,077,892	12,834,480

15. Investment property

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

16. Other financial liabilities

<i>denominated in RON</i>	March 31, 2023	December 31, 2022
Debts to employees and related contributions	798,527	2,760,306
Taxes and dues	13	414,346
Suppliers and creditors	11,326,843	11,863,722
Total	12,125,383	15,038,374

The item Suppliers and creditors on March 31, 2023, mainly includes the amounts received as an advance for the transfer of unlisted shares.

17. Deferred tax liabilities

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

March 31, 2023

<i>denominated in RON</i>	Assets	Liabilities	Net
Financial assets at FVOCI	-	833,321,624	(833,321,624)
Tangible assets and investment property	-	13,572,403	(13,572,403)
Total		846,894,027	(846,894,027)
Net temporary differences - 16% rate			(846,894,027)
Deferred tax liabilities			(135,503,045)

December 31, 2022

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

Deferred tax liabilities in balance on March 31, 2023, amounting to RON 135,503,045 (2022: RON 136,546,721) include:

- deferred income tax recognized directly through the decrease in equity amounting to RON 129,110,432 (2022: 130,389,332), being generated by reserves for financial assets measured at fair value through other comprehensive income (FVTOCI)
- the deferred tax related mainly to the differences from inflation of the financial assets and the impairment adjustments, amounting to RON 6,392,613 recognized in retained earnings (2022: RON 6,157,389).

18. Capital and reserves**(a) Share capital**

As of March 31, 2023, the share capital of Lion Capital amounts to RON 50,751,006, divided into 507,510,056 shares with the nominal value of RON 0.1 and it is the result of direct subscriptions to the share capital of the company, by the conversion into shares of the amounts due as dividends under Law no. 55/1995 and pursuant to Law no. 133/1996. As of March 31, 2023, the number of shareholders was of 5,740,306 (December 31, 2022: 5,741,164).

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

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

The EGM of November 2, 2020, approved:

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

The EGM of October 11, 2021, approved:

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

The EGM of November 25, 2021, approved:

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

The EGM of April 28, 2022, approved:

- the reduction of Company's share capital from RON 51,542,236.3 to RON 50,751,005.6 following the cancellation of 7,912,307 treasury shares acquired by the company, in the buyback programs.

- the execution of a share buyback program ("Program 6") for the distribution free of charge to the members of the Company's management (administrators, directors), in order to gain their loyalty, as well as to reward them for the activity carried out within the Company, according to the performance criteria to be determined by the Board of Directors. The maximum number of shares that can purchased in the buyback program is no more than 990,000 shares. The shares will be distributed within a "Share-based Payment Plan" of Stock Option Type, in compliance with the legislation in force. The Board of Directors of the Company approved in March 2023 the "Share-based Payment Plan", which is ongoing.

<i>denominated in RON</i>	March 31, 2023	December 31, 2022
Share capital	50,751,006	50,751,006
Total	50,751,006	50,751,006

(b) Retained earnings

<i>denominated in RON</i>	March 31, 2023	December 31, 2022
Retained earnings from the transition to IAS and IFRS	422,323,709	422,323,709
Retained earnings from application of IFRS 9 (including gain on transactions)	332,037,522	312,836,518
Undistributed profit	95,467,147	-
Result for the period	32,141,147	95,467,147
Other amounts recognized in retained earnings (legal reserves, revaluation of tangible assets, etc.)	2,220,251	2,220,252
Total	884,189,776	832,847,626

(c) Other reserves

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

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

(d) Legal reserves

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

(e) Differences from changes in fair value of financial assets measured through other comprehensive income

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

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

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

<i>denominated in RON</i>	March 31, 2023	December 31, 2022
Differences from changes in fair value of financial assets measured through other comprehensive income (shares)	758,970,814	741,827,359
Total	758,970,814	741,827,359

(f) Dividends

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

19. Earnings per share

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

<i>denominated in RON</i>	March 31, 2023	March 31, 2022
Profit attributable to ordinary shareholders	32,141,147	(36,253,521)
Weighted average number of ordinary shares*	507,072,500	507,510,056
Basic earnings per share	0.0634	(0.0714)

* considering repurchased shares

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

20. Contingent assets and liabilities**(a) Litigations in court**

As of March 31, 2023, in the Company's records were 51 litigations ongoing in Courts. The Company had legal standing in 41 lawsuits, passive legal standing in 8 lawsuits, and intervenient in 2 litigations.

In most lawsuits in which the Company acts as plaintiff, the subject of litigation is the cancellation / ascertainment of cancellation of decisions taken by the General Meetings of Shareholders in portfolio companies, or insolvency proceedings of portfolio companies.

(b) Other liabilities

not the case

21. Related parties

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

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

Key management personnel

March 31, 2023

- As of March 31, 2023, the Board of Directors of Lion Capital S.A. was comprised of 5 members: Bogdan-Alexandru Drăgoi - Chairman, Radu-Răzvan Străuț - Vice-Chairman, Sorin Marica, Marcel Pfister, and Ionel Marian Ciucioi.
- As of March 31, 2023, the members of the executive team of Lion Capital S.A: Bogdan-Alexandru Drăgoi - CEO (General Director), Radu-Răzvan Străuț - Deputy General Director, Teodora Sferdian - Deputy General Director, Laurențiu Riviș - Director.

December 31, 2022

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

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

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

Subsidiaries

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

Associated entities

The number of entities in which the Company holds stakes between 20% and 50% of the share capital as of March 31, 2023, is of 16 (December 31, 2022: 16), of which:

- One entity (Biofarm SA Bucharest), in which the Company exercises significant influence;
- 4 (December 31, 2022: 4) entities that do not qualify as associates, because the Company does not exercise significant influence in those companies;
- 11 (December 31, 2022: 11) entities in insolvency / liquidation / bankruptcy.

Transactions with related parties during the interim reporting period:

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

	March 31, 2023	March 31, 2022
Transactions by profit and loss		
Dividend income, of which:		
Vrancart	865,417	440,984
SIF SPV TWO	1,103,608	-
Total	1,969,025	440,984
Other revenues		
Silvana Cehu Silvaniei - additional liquidation proceeds	72,694	-
Total	72,694	-
Other expenses, of which:		
Administrare Imobiliare - rent and operating expenses	86,514	85,134
Gaz Vest – supply of natural gas	-	(350)
Total	86,514	84,784

	March 31, 2022	December 31, 2022
Transactions by statement of financial position		
Other receivables, of which:		
Vrancart - bonds	37,612,296	37,612,296
Vrancart - interest receivable	618,102	700,722
SIF SPV TWO – principal loan	115,845,003	115,805,211
SIF SPV TWO – interest receivable	2,716,429	1,107,295
Total	159,399,744	157,833,437
Other debts, of which:		
Administrare Imobiliare	37,571	36
Total	37,571	36

22. Events after the interim period

April 10, 2023 – The company informs investors upon receiving on 04/07/2023 a request to amend the agenda of the ordinary general meeting of shareholders of Lion Capital SA, convened for April 27 (28), 2023, a request made by the shareholder Blue Capital SA, with registered office in the municipality of Bucharest, which owns 9.0423% of the share capital of Lion Capital SA. On April 11, 2023, the Company's Board of Directors amended the agenda of the general meeting of shareholders with the requests received.

April 21, 2023 - The last instalment agreed through the agreement for the transfer of the stake representing 74.53% of the share capital of Central S.A. Cluj-Napoca was collected, at the same time carrying out the transfer of ownership of the shares. This agreement was concluded in February 2021, with a maximum completion period of 30 months (August 2023).

April 27, 2023

The ordinary general meeting of shareholders approved:

- the standalone financial statements and the consolidated financial statements as of December 31, 2022,
- the allocation of the profit of 2022, amounting to RON 95,467,148, to Other reserves, as own financing sources,
- the discharge of administrators for the activity carried out in 2022 FY,
- the income and expenses budget and the Activity Program for 2023 FY,
- the remuneration due to the members of the board of directors for 2023 FY, at the level established by the OGM Resolution of April 26, 2016, and 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 2023 FY at the level established by the OGM Resolution no. 7 of April 27, 2020.

The extraordinary general meeting of shareholders approved:

- amendment of the Company's Articles of Association;
- the execution of a buyback program ("Program 7"), for distribution free of charge to the members of the Company's management (administrators, directors), in order to build their loyalty, as well as to reward them for the activity carried out within the Company, according to the performance criteria to be established by the Board of Directors. The maximum number of shares that can be repurchased is of 990,000 shares, the minimum (maximum) price per share is of RON 0.1 (RON 6.5747), the duration of Program 7 is a maximum of 18 months from the date of publication of the decision in the Official Gazette of Romania, part of 4th,
- the use of the shares purchased under Buyback Program 7, in order to distribute them free of charge to the members of the Company's management (administrators, directors), under a "Stock Option Plan", in compliance with the legislation in force.

STATEMENT OF
Lion Capital S.A. assets and liabilities
AIFRI established by a constitutive act
31.03.2023

Annex 10
as per Reg. 7/2020

ITEM	VALUE [RON]
1 Intangible assets	54,148
2 Tangible assets	3,640,619
3 Investment property	12,963,376
4 Biological assets	-
5 Assets representing rights to use the underlying assets in a leasing contract	414,474
6 Financial assets	3,265,492,205
6.1 Financial assets measured at amortized cost	1,640,958,873
6.2 Financial assets measured at fair value through profit and loss	1,229,825,197
6.2.1 Shares	884,095,534
6.2.1.1 Admitted to trading on a trading venue	884,095,534
6.2.1.2.1 in Romania	884,095,534
6.2.1.2.1.1 Traded in the last 30 trading days	386,747,497
6.2.1.2.1.2 Not traded in the last 30 trading days	497,348,037
6.2.1.2.2 in a Member State	-
6.2.1.2.3 in a third country	-
6.2.1.2 Not admitted to trading	345,729,662
6.2.1.2.1 in Romania	345,729,662
6.2.1.2.2 in a Member State	-
6.2.1.2.3 in a third country	-
6.2.2 Corporate bonds	37,492,902
6.2.2.1 Admitted to trading on a trading venue	37,492,902
6.2.2.1.1 in Romania	37,492,902
6.2.2.2.1.1 Traded in the last 30 trading days	-
6.2.2.2.1.2 Not traded in the last 30 trading days	37,492,902
6.2.2.1.2 in a Member State	-
6.2.2.1.3 in a third country	-
6.2.2.2 Not admitted to trading	-
6.2.3 Securities of AIF / UCITS	373,640,774
6.2.3.1 Shares	-
6.2.3.2 Fund units	373,640,774
6.2.3.2.1 Admitted to trading on a trading venue	-
6.2.3.2.2 Not admitted to trading	373,640,774
6.2.3.2.2.1 in Romania	338,717,234
6.2.3.2.2.2 in a Member State	-
6.2.3.2.2.3 in a third country	34,923,540
6.3 Financial assets measured at fair value through other comprehensive income	1,624,533,332
6.3.1 Shares	1,415,836,087
6.3.1.1 Admitted to trading on a trading venue	1,269,094,073
6.3.1.2.1 in Romania	1,148,336,033
6.3.1.2.1.1 Traded in the last 30 trading days	1,148,212,644
6.3.1.2.1.2 Not traded in the last 30 trading days	123,389
6.3.1.2.2 in a Member State	120,758,040
6.3.1.2.2.1 Traded in the last 30 trading days	120,758,040
6.3.1.2.2.2 Not traded in the last 30 trading days	-
6.3.1.2.3 in a third country	-
6.1.1.2.3.1 Traded in the last 30 trading days	-
6.1.1.2.3.2 Not traded in the last 30 trading days	-
6.3.1.2 Not admitted to trading	146,742,013
6.3.1.2.1 in Romania	146,742,013
6.3.1.2.2 in a Member State	-
6.3.1.2.3 in a third country	-
6.3.2 Corporate bonds	-
6.3.2.1 Admitted to trading on a trading venue	-
6.3.2.1.1 in Romania	-
6.3.2.2.1.1 Traded in the last 30 trading days	-
6.3.2.2.1.2 Not traded in the last 30 trading days	-
6.3.2.1.2 in a Member State	-
6.3.2.1.3 in a third country	-
6.3.2.2 Not admitted to trading	-
6.3.3 Securities of AIF / UCITS	208,697,245
6.3.3.1 Shares	208,697,245
6.3.3.1.1 Admitted to trading on a trading venue	208,697,245
6.3.3.1.1.1 in Romania	208,697,245
6.3.3.1.1.1.1 Traded in the last 30 trading days	208,697,245
6.3.3.1.1.1.2 Not traded in the last 30 trading days	-
6.3.3.1.1.2 in a Member State	-
6.3.3.1.1.3 in a third country	-
6.3.3.1.2 Not admitted to trading	-
6.3.3.2 Fund units	-
7 Cash available (cash and cash equivalent)	52,055,215
8 Bank deposits	3,240,455
9 Other assets:	125,036,156
9.1 Dividends or other receivables	-
9.2 Other assets	125,036,156
9.2.1 Loans granted subsidiaries	118,561,432
10 Accrued expenses	263,289
11 Total assets	3,463,159,938
12 Total liabilities	158,085,399
12.1 Financial liabilities measured at amortized cost	22,582,354
12.2 Deferred income tax liabilities	135,503,045
12.3 Other liabilities	-
13 Provisions for risks and expenses	-
14 Deferred income	701,345
15 Equity, of which:	3,307,013,605
15.1 Share capital	50,751,006
15.2 Items treated as equity	632,757,735
15.3 Other components of equity	759,172,939
15.4 Premium related to capital	-
15.5 Revaluation reserves	1,176,569
15.6 Reserves	3,574,439,692
15.7 Treasury shares*	-2,526,773
15.8 Retained earnings	786,770,840
15.9 Retained earnings first-time adoption of IAS 29 (debtor account)	-2,527,669,558
15.10 Result for the period	32,141,147
16 Net Asset Value	3,304,373,194
17 Number of outstanding shares**	506,520,056
18 Net Asset Value per Share	6.5237
19 Number of companies in the portfolio, of which:	85
19.1 Companies admitted to trading on an EU trading venue	28
19.2 Companies admitted to trading on a stock exchange in a third country	-
19.3 Companies not admitted to trading	57

NOTE

* Value of treasury shares, repurchased under the PTO carried out between February 16 - March 1, 2023

** As per Art. 123, par. (3) of ASF Regulation no. 9/2014, this position presents the number of shares issued by the company and outstanding as of the reporting date, on the basis of which the unit value of the net asset is calculated. Treasury shares at the reporting date are not included. As of the date of this report, out of the total of 507,510,056 issued shares, the company holds 990,000 own shares, repurchased under the PTO carried out between February 16 and March 1, 2023.

ANNEX - according to art.38 par. (4) of Law 243/2019

Assets in Lion Capital portfolio evaluated using valuation methods in accordance with International Valuation Standards

as of 31.03.2023

No.	Name of the issuer	Tax Identification Code	Symbol	No. of shares held	No./date of valuation report	RON / share	Total value	Valuation method
Companies not admitted to trading where LC's stake is > 33% of the share capital								
1	AZUGA TURISM	28330211		786,882	369/24.02.2023	22.3800	17,610,419	income approach, discounted cash flow method
2	NAPOMAR	199176		10,256,241	366/24.02.2023	3.0549	31,331,791	income approach, discounted cash flow method
3	CENTRAL	199230		53,120	372/24.02.2023	769.6009	40,881,200	income approach, discounted cash flow method
4	SAI MUNTENIA INVEST	9415761		119,976	367/24.02.2023	741.0000	88,902,216	income approach, discounted cash flow method
5	SIF SPV TWO	40094500		119,988	375/27.02.2023	98.5248	11,821,794	asset approach, corrected Net Asset method
6	Administrare Imobiliare SA	20919450		16,049,741	371/24.02.2023	2.9787	47,807,364	asset approach, corrected Net Asset method
7	SIF1 IMGB	380430		301,078,647	370/24.02.2023	0.8107	244,084,459	asset approach, corrected Net Asset method
Companies admitted to trading with irrelevant liquidity for the application of the mark to market valuation method (according to Art.114 par. (4) of Reg.9 / 2014)								
8	SIF Imobiliare PLC	HE323682	SIFI	4,499,961	374/27.02.2023	81.8680	368,402,807	asset approach, corrected Net Asset method
9	SIF Hoteluri	56150	CAOR	31,820,906	368/24.02.2023	2.6598	84,637,246	income approach, discounted cash flow method
10	IAMU	1766830	IAMU	7,286,299	365/24.02.2023	6.0810	44,307,984	income approach, discounted cash flow method

Leverage and exposure calculated in accordance with the provisions of Regulation (EU) no. 231/2013

Method for calculating AIFRI exposure	Exposure value (RON)	Leverage (%)
Gross method	3,300,139,455	99.87%
Commitment method	3,304,373,194	100

Lion Capital S.A.

**Certification of Depositary Bank,
Banca Comercială Română**

ITEM		Beginning of the reporting period [28.02.2023]				End of the reporting period [31.03.2023]				Differences (RON)
		% of net asset	% of total assets	Currency	RON	% of net asset	% of total assets	Currency	RON	
I	Total assets	105.18	100.00	202,597,853	3,306,869,990	104.81	100.00	171,819,971	3,291,339,966	-46,307,905
1	Securities and money market instruments, of which:	67.34	64.02	182,925,600	2,063,876,239	66.30	63.26	120,758,040	2,069,924,470	-56,119,329
1.1	Securities and money market instruments admitted or traded on a regulated	61.85	58.81	-	2,063,876,239	62.64	59.77	-	2,069,924,470	6,048,231
1.1.1	shares	60.74	57.75	-	2,026,673,657	61.51	58.69	-	2,032,431,568	5,757,910
1.1.2	other securities assimilated to these	-	-	-	-	-	-	-	-	0
1.1.3	corporate bonds	1.11	1.06	-	37,202,582	1.13	1.08	-	37,492,902	290,321
1.1.4	other debt securities	-	-	-	-	-	-	-	-	0
1.1.5	other securities	-	-	-	-	-	-	-	-	0
1.1.6	money market instruments	-	-	-	-	-	-	-	-	0
1.2	Securities and money market instruments admitted or traded on a regulated market in a member state	5.48	5.21	182,925,600.00	-	3.65	3.49	120,758,040	-	-62,167,560
1.2.1	shares	5.48	5.21	182,925,600	-	3.65	3.49	120,758,040	-	-62,167,560
1.2.2	other securities assimilated to these	-	-	-	-	-	-	-	-	0
1.2.3	corporate bonds	-	-	-	-	-	-	-	-	0
1.2.4	other debt securities	-	-	-	-	-	-	-	-	0
1.2.5	other securities	-	-	-	-	-	-	-	-	0
1.2.6	money market instruments	-	-	-	-	-	-	-	-	0
1.3	Securities and money market instruments admitted on a stock exchange in a third country or negotiated on another regulated market in a third country, that operates on a regular basis and is recognized and open to the public, approved by ASF, of which:	-	-	-	-	-	-	-	-	0
2	Newly issued securities	-	-	-	-	-	-	-	-	0
3	Other securities and money market instruments	14.80	14.07	-	493,687,107	14.90	14.22	-	492,471,676	-1,215,431
4	Bank deposits, of which:	0.09	0.08	-	2,869,293	0.10	0.09	-	3,240,455	371,162
4.1	bank deposits with credit institutions in Romania;	0.09	0.08	-	2,869,293	0.10	0.09	-	3,240,455	371,162
4.2	bank deposits with credit institutions in a Member State;	-	-	-	-	-	-	-	-	0
4.3	bank deposits with credit institutions in a third country.	-	-	-	-	-	-	-	-	0
5	Derivatives traded on a regulated market	-	-	-	-	-	-	-	-	0
6	Current accounts and cash	0.60	0.57	19,672,253	386,008	1.58	1.50	51,061,931	993,284	31,996,955
7	Money market instruments other than those traded on a regulated market, as referred to in Art. 82(g) of GEO no. 32/2012 - Repo contracts on securities	-	-	-	-	-	-	-	-	0
8	Equity securities of AIF/UCITS (RO: FIA/OPCVM) of which:	17.98	17.09	-	599,787,741	17.62	16.82	-	582,338,020	-17,449,722
8.1	AIF shares	-	-	-	215,684,604	-	-	-	208,697,245	-6,987,359
8.2	UCITS fund units	-	-	-	384,103,137	-	-	-	373,640,774	-10,462,363
9	Dividends or other rights receivable	-	-	-	-	-	-	-	-	0
10	Other assets (amounts in transit, amounts with distributors, with brokers, etc.).	4.38	4.17	-	146,263,603	4.31	4.11	-	142,372,062	-3,891,540
10.1	Loans granted to subsidiaries	3.52	3.34	-	117,313,439	3.59	3.42	-	118,561,432	1,247,992
II	Total liabilities	5.18	4.92	-	172,729,724	4.81	4.59	-	158,786,744	-13,942,980
1	Expenses for the payment of fees due to AIFM	-	-	-	-	-	-	-	-	0
2	Expenses for the payment of fees due to depositary bank	-	-	-	-	-	-	-	-	0
3	Expenses for the payment of fees due to intermediaries	-	-	-	-	-	-	-	-	0
4	Expenses on turnover fees and other banking services	-	-	-	-	-	-	-	-	0
5	Interest expenses	-	-	-	-	-	-	-	-	0
6	Issuance expenses	-	-	-	-	-	-	-	-	0
7	Expenses with the payment of commissions/fees due to ASF	-	-	-	-	-	-	-	-	0
8	Financial audit costs	-	-	-	-	-	-	-	-	0
9	Other approved expenses / liabilities	5.18	4.92	-	172,729,724	4.81	4.59	-	158,786,744	-13,942,980
10	Redemptions payable	-	-	-	-	-	-	-	-	0
III	Net Asset Value (I-II)	100.00	95.08	202,597,853	3,134,140,267	100.00	95.41	171,819,971	3,132,553,223	-32,364,925

Table 2

Statement of net asset value per share 31.03.2023

RON

ITEM	Current period	Corresponding period of the previous year	Differences
Net Asset Value	3,304,373,194	3,270,800,865	33,572,329
Number of fund units / shares outstanding	506,520,056	507,510,056	-990,000
Net asset value per share	6.5237	6.4448	0.0789

Table 3

DETAILED STATEMENT OF INVESTMENTS AS OF 31.03.2023

1. Securities admitted or traded on a regulated market in Romania

1. Shares traded in the last 30 trading days (business days)

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Value of share	Total value	Stake of issuer's share capital	Weight in AIFRI total assets
					RON	RON	RON	%	%
1	BANCA TRANSILVANIA	TLV	31.03.2023	33,803,379	10.00	19.5000	659,165,891	4.7768	19.83
2	BIOFARM	BIO	31.03.2023	362,096,587	0.10	0.6420	232,466,009	36.7471	6.71
3	OMV PETROM	SNP	31.03.2023	355,081,206	0.10	0.4605	163,514,895	0.5688	4.72
4	BRD - GROUPE SOCIETE GENERALE	BRD	31.03.2023	13,615,407	1.00	11.8800	161,752,104	1.9537	4.67
5	VRANCART	VNC	31.03.2023	908,612,549	0.10	0.1680	152,646,908	75.5047	4.41
6	GRAND HOTEL BUCHAREST	RCHI	29.03.2023	249,998,583	0.10	0.2940	73,499,583	29.9923	2.12
7	COMPET	COTE	31.03.2023	562,740	3.30	75.4000	42,430,596	6.5000	1.23
8	BURSA DE VALORI BUCURESTI	BVB	31.03.2023	410,637	10.00	47.2000	19,382,066	5.1016	0.56
9	IMPACT DEVELOPER & CONTRACTOR	IMP	31.03.2023	21,700,000	0.25	0.3680	7,985,600	0.9173	0.23
10	ANTIBIOTICE	ATB	31.03.2023	14,167,736	0.10	0.5540	7,848,926	2.1104	0.23
11	ARGUS	UARG	30.03.2023	1,790,432	1.50	3.0400	5,442,913	5.0079	0.16
12	SATURN	SATU	24.03.2023	346,926	2.50	6.5000	2,255,019	17.5385	0.07
13	PRIMACONSTRUCT	PCTM	09.03.2023	90,685	2.50	21.0000	1,904,385	15.6969	0.05
14	SIFI CJ LOGISTIC	CACU	31.03.2023	54,486	2.50	30.0000	1,634,580	5.5275	0.05
15	ARCELOR MITTAL HUNEDOARA	SIDG	21.03.2023	5,921,324	0.10	0.2300	1,361,905	2.9820	0.04
16	SOMETRA	SOMR	22.03.2023	1,217,602	2.50	0.5700	694,033	2.0786	0.02
17	PETROCART	PTRC	29.03.2023	11,852,163	0.50	0.0475	562,978	30.1767	0.02
18	UCM	UCM	30.03.2023	1,068,613	0.10	0.3900	411,750	0.9721	0.01
TOTAL							1,534,960,141		44.32

2. Shares not traded in the last 30 trading days (working) or measured by valuation methods

No.	Issuer	Symbol	Date of last trading session	No. of shares held	Nominal value	Value of share	Total value	Stake of in issuer's share capital	Weight in AIFRI total assets
					RON	RON	RON	%	%
1	SIF IMOBILIARE	SIFI	14-Aug-20	4,499,961	4.47	81.8680	368,402,807	99.9997	10.64
2	SIF HOTELURI	CAOR	28-Feb-23	31,820,906	2.50	2.6598	84,637,246	98.9997	2.44
3	AMUJ	AMUJ	27-Feb-23	7,286,299	2.50	6.0810	44,307,984	76.6967	1.28
4	INDUSTRIA SARMEI CAMPIA TURZII	INDI	2-Nov-22	4,664,082	0.10	0.0268	123,385	1.2497	0.00
5	ICSH	ICSH	26-Mar-22	84,500	2.50	0.0000	0	1.2891	0.00
6	SIFI UNITEH	UNIT	12-Aug-20	158,573	2.50	0.0000	0	36.3399	0.00
7	TALC DOLOMITA	TALD	9-Oct-15	167,108	2.50	0.0000	0	7.8944	0.00
TOTAL							497,471,427		14.36

3. Shares not traded in the last 30 trading days (working days) for which the financial statements are not obtained within 90 days from the legal date of submission

Not the case

4. Preference rights / allocation rights

Not the case

5. Bonds admitted to trading issued or guaranteed by authorities of local public administration / corporate bonds

No..	Issuer	Bond symbol	Date of last trading session	No. of bonds held	Date of acquisition	Date of coupon	Date of coupon maturity	Initial value	Daily increase	Cummulative interest	Discount / Premium	Market price	Total value	Weight in total issued bonds	Weight in AIFRI total assets
								RON	RON	RON	RON	RON	RON	%	%
1	VRANCART ADIUD	VNC24	31.10.2019	368,748	17-Mar-17	25-Jun-23	24-Apr-23	36,874,800	9.365	618,102	-	102.00	37,492,902	96.41	1.08
TOTAL													37,492,902		1.08

6. Bonds admitted to trading issued or guaranteed by central government authorities

Not the case

7. Other securities admitted to trading on a regulated market

Not the case

8. Amounts being settled for securities admitted or traded on a regulated market in Romania

Issuer	Type of security	Symbol	Valuer per unit	No. of traded securities	Total value	Stake of issuer's share capital/total bonds of a issuer	Weight in AIFRI total assets
			RON		RON	%	%
PROFESSIONAL IMO PARTNERS	shares held	PPLI	2.08	1	2	-	0.00
TOTAL					2		0.0000

II. Securities admitted or traded on a regulated market in a Member State

1. Shares traded in the last 30 trading days (business days)

Issuer	ISIN code	Date of last trading session	No. of shares held	Nominal value*	Value of share	NBR currency rate EUR/RON	Total value	Stake in issuer's share capital	Weight in AIFRI total assets
				foreign currency	foreign currency	RON	RON	%	%
ERSTE GROUP BANK AG	EBS	31.03.2023	800,000	0	30,50	4.9491	120,758,040	0.1861	3.49
TOTAL							120,758,040		3.49

2. Bonds admitted to trading issued or guaranteed by authorities of local public administration , corporate bonds

Not the case

3. Bonds admitted to trading issued or guaranteed by central government authorities

Not the case

4. Other securities admitted to trading on a regulated market of a Member State

Not the case

5. Amounts under settlement for securities admitted or traded on a regulated market in a Member State

Not the case

III. Securities admitted or traded on a regulated market in a third country

1. Shares traded during last 30 trading days (business days)

2. Bonds admitted to trading issued or guaranteed by authorities of local public administration, corporate bonds, traded during last 30 days

3. Othes securities admitted to trading on a regulated market in a third country

4. Amounts under settlement for securities admitted or traded on a regulated market in a third country

Not the case

IV. Money market instruments admitted or traded on a regulated market in Romania

Amounts under settlement for money market instruments admitted or traded on a regulated market in Romania

Not the case

V. Money market instruments admitted or traded on a regulated market in another Member State

Amounts under settlement for money market instruments admitted or traded on a regulated market in another Mem

Not the case

VI. Money market instruments admitted or traded on a regulated market in a third country

Amounts under settlement for money market instruments admitted or traded on a regulated market in a third country

Not the case

VII. Newly issued securities

1. Newly issued shares

2. Newly issued bonds

3. Preference rights (after registration to central dpository, before admitted to trading)

Not the case

VIII. Other securities and money market instruments

VIII.1 Other securities

1. Shares not admitted to trading

Nr. crt.	Issuer	No. of shares held	Nominal value	Value of share	Total value	Stake in issuer's share capital	Weight in AIFRI total assets
			RON	RON	RON	%	%
1	SIF 1 IMGB	301,078,647	2.50	0.8107	244,084,459	99.92	7.05
2	SAI MUNTENIA INVEST	119,976	10.00	741.0000	88,902,216	99.98	2.57
3	ADMINISTRARE IMOBILIARE	16,049,741	2.50	2.9787	47,807,364	97.40	1.38
4	CENTRAL	53,120	10.00	769.6009	40,881,200	74.53	1.18
5	NAPOMAR	10,256,241	2.50	3.0549	31,331,791	99.43	0.90
6	AZUGA TURISM	786,882	17.50	22.3800	17,610,419	98.94	0.51
7	SIF SPV TWO	119,988	1.00	98.5248	11,821,794	99.99	0.34
8	EXIMBANK	414,740	6.00	11.6778	4,868,633	0.31	0.14
9	DEPOZITARUL CENTRAL	9,878,329	0.10	0.1272	1,256,523	3.91	0.04
10	CCP.RO BUCHAREST	142,500	10.00	8.2273	1,172,390	1.64	0.03
11	SPUMOTIM	12,398	2.50	44.8802	556,425	3.99	0.02
12	MOBIROM	11,589	2.50	45.9594	532,623	9.03	0.02
13	AMIS MOB	12,607	2.50	35.2467	444,355	8.12	0.01
14	FORESTIERA	42,269	2.50	7.9537	336,195	25.75	0.01
15	CTCE	8,501	2.50	30.3505	258,010	23.24	0.01
16	COMMETCAR	14,862	2.50	14.1659	210,534	10.00	0.01
17	STREIUL	9,344	2.50	16.6637	155,706	17.44	0.00
18	APRO HOREA	8,220	2.50	18.1147	148,903	13.54	0.00
19	AUTODANUBIUS	11,653	2.50	6.0318	70,289	14.04	0.00
20	MODERN	3,302	2.50	6.6166	21,848	2.45	0.00
21	BANCA COMERCIALA ROMANA	1	0.10	0.6900	1	-	0.00
22	AGROINDUSTRIALA INEU	59,755	2.50	0.0000	0	11.50	0.00
23	AGROINDUSTRIALA NADLAC	66,406	2.50	0.0000	0	30.00	0.00
24	AGROPRODUCT RESITA	72,720	2.50	0.0000	0	30.00	0.00
25	ARCER	83,213	2.50	0.0000	0	19.70	0.00
26	ARIO	3,523,021	3.70	0.0000	0	93.64	0.00
27	AVERSA	142,699	2.50	0.0000	0	2.14	0.00
28	BANCA INTERNATIONALA A RELIGIILOR	186,849	1.00	0.0000	0	0.93	0.00
29	BRAFOR	5,928,744	0.10	0.0000	0	2.69	0.00
30	COMAR	40,601	2.50	0.0000	0	34.94	0.00
31	COMBINATUL DE UTILAJ GREU	409,572	4.00	0.0000	0	5.02	0.00
32	COMMIXT	10,543	2.50	0.0000	0	28.97	0.00
33	CONTOR GROUP	2,900,049	0.10	0.0000	0	1.50	0.00
34	CUART	4,516	2.50	0.0000	0	3.40	0.00
35	ELBAC	8,299,560	0.10	0.0000	0	32.45	0.00
36	ERGOLEMN	9,637	2.50	0.0000	0	12.96	0.00
37	EXFOR	399,654	2.50	0.0000	0	24.23	0.00
38	FORTPRES - CUG	103,523	2.50	0.0000	0	1.36	0.00
39	IFOR	101,803	2.50	0.0000	0	15.35	0.00
40	IPEGM	291,560	2.50	0.0000	0	3.40	0.00
41	LASPERESIA	20	2.50	0.0000	0	1.95	0.00
42	LEMN-MOL-FA	37,146	2.00	0.0000	0	13.02	0.00
43	MEBIS	346,637	2.50	0.0000	0	26.78	0.00
44	MINIERA CUART	17,396	2.50	0.0000	0	3.40	0.00
45	MOPAL	251,067	80.45	0.0000	0	21.89	0.00
46	PROJECT	2,162	8.00	0.0000	0	10.00	0.00
47	ROSTRAMO	434,501	2.50	0.0000	0	10.04	0.00
48	SANEVIT	535,217	0.10	0.0000	0	8.97	0.00
49	SILVANA	1,443,772	2.50	0.0000	0	96.28	0.00
50	SIMATEC	42,886	2.50	0.0000	0	18.82	0.00
51	SOMES	1,653,350	2.10	0.0000	0	13.12	0.00
52	TEHNOLOGIE MOBILA STIL	9,000	2.50	0.0000	0	4.55	0.00
53	TRANSILVANIA AIUD	46,779	2.50	0.0000	0	20.19	0.00
54	TREMULA	66,112	2.50	0.0000	0	17.99	0.00
55	TREMULA BRAILA	17,465	2.50	0.0000	0	13.46	0.00
56	UZINA ARDEALUL	55,593	2.50	0.0000	0	29.51	0.00
TOTAL					492,471,676		14.22

2. Shares traded under systems other than regulated markets

Not the case

3. Shares not admitted to trading valued at zero value (no updated financial statements submitted to the Trade Register)

Issuer	No. of shares held	Nominal value	Valuer per unit	Total value	Stake of issuer's share capital/total bonds of a issuer	Weight in AIFRI total assets
MOLIDUL	90,579	2.50	0.00	0.00	21.63	0.00
TOTAL				0,00		0,000

4. Bonds not admitted to trading

Not the case

5. Amounts being settled for shares traded on a other systems than regulated market

Not the case

VIII.2. Other money market instruments

1. Commercial papers

Not the case

IX.Current accounts and cash

1. Current accounts and cash, in RON

No.	Bank name	Present value	Weight in total assets of AIFRI
		RON	%
1	Banca TRANSILVANIA	961,792	0.03
2	Intesa SanPaolo	20,468	0.00
3	CEC Bank	3,312	0.00
4	BRD-G.S.G	2,457	0.00
5	Banca Comerciala Romana	2,428	0.00
6	Eximbank	1,889	0.00
7	Unicredit Bank	123	0.00
8	SIF Banat-Crisana - petty cash	814	0.00
TOTAL		993,284	0.03

2. Current accounts and cash, demoninated in EURO

No.	Bank name	Present value	NBR exchange rate	Present value in RON	Weight in total assets of AIFRI
		foreign currency			%
1	BRD-G.S.G	2,900,000.76	4.9491	14,352,393.76	0.41
2	Banca Comerciala Romana	7,399,094.50	4.9491	36,618,858.59	1.06
3	Banca Transilvania	17,570.24	4.9491	86,956.87	0.00
4	Eximbank	2.74	4.9491	13.56	0.00
TOTAL				51,058,222.79	1.47

3. Current accounts and cash, denominated in USD

No.	Bank name	Present value	NBR exchange rate	Present value in RON	Weight in total assets of AIFRI
		foreign currency			%
1	Banca Transilvania	301.30	4.5463	1,369.80	0.00
2	Banca Comercială Română	254.18	4.5463	1,155.58	0.00
TOTAL				2,525.38	0.00

4. Current accounts and cash, denominated in GBP

No.	Bank name	Present value	NBR exchange rate	Present value in RON	Weight in total assets of AIFRI
		foreign currency			%
1	Banca TRANSILVANIA	210.28	5.6256	1,182.95	0.00
TOTAL				1,182.95	0.00

X. Bank deposits by separate categories: set up at credit institutions in Romania / in another Member State / in a third country

1. Bank deposits denominated in RON

[illegible]

2. Bank deposits denominated in foreign currency

[illegible]

XI. Derivatives traded on a regulated market

1. Futures contracts

2. Options

3. Amounts under settlement for derivatives traded on a regulated market

Not the case

XII. Derivatives traded outside regulated markets

Not the case

XIII. Money market instruments, other than those traded on a regulated market

Not the case

XIV. Equity securities of UCITS/AIF

1. Equity securities denominated in RON

No.	Fund name	Date of last trading session	No. of securities held (shares/fund units)	Value of equity security (NAV/unit)	Market price	Total value	Weight in UCITS/AIF's total equity securities	Weight in total assets of AIFRI
				RON	RON	RON	%	%
Shares								
1	SIF MUNTENIA	31-Mar-23	140,663,575		1.1700	164,576,383	17.9270	4.75
2	SIF OLTENIA	31-Mar-23	25,801,674		1.7100	44,120,863	5.1603	1.27
Fund units								
1	Fondul Inchis de Investitii ACTIVE PLUS		15,050.2178	13,616.2300		204,927,227	76.4216	5.92
2	FIA CERTINVEST ACTIUNI		307.6000	275,578.8700		84,768,060	59.3654	2.45
3	FIAIP OPTIM INVEST		3,494.6900	11,154.0700		38,980,017	48.1472	1.13
4	ROMANIA STRATEGY FUND Klasse B		58,000.0000	602.1300		34,923,540	50.8772	1.01
5	FIA STAR VALUE		9,382.0000	1,070.3400		10,041,930	25.3150	0.29
TOTAL						582,338,020		16.82

2. Equity securities denominated in foreign currency

Not the case

3. Amounts under settlement for equity securities denominated in RON

Fund name	Market price	No. of securities traded	Total value	Weight in UCITS/AIF's total equity securities	Weight in total assets of AIFRI
	RON		RON	%	%

4. Amounts under settlement for equity securities denominated in foreign currency

Not the case

XV. Dividend or other receivable rights**1. Dividends receivable**

No.	Issuer	Share symbol	Ex-dividend date	No. of shares held	Gross dividend	Amount receivable	Weight in total assets of AIFRI
					RON	RON	%
1	GAZ VEST		01.07.2021	105,068	2,607,914	0.00	0.00
	TOTAL					-	0.00

2. Shares distributed without consideration in cash

Not the case

3. Shares distributed with consideration in cash

Issuer	Share symbol	Ex-dividend date	No. of shares held	Share value	Total value*	Weight in total assets of AIFRI
				RON	RON	%

* recalculated as per art.120, p.(1) of ASF Regulation no. 9/2014

4. Amounts payable for shares distributed with consideration in cash

Not the case

5. Preference rights (prior to admission to trading and after the trading period)

Issuer of shares	Share symbol	Ex-dividend date	No. of preemptive rights	Theoretical value of preference rights	Total value
TOTAL				0	0

Evolution of the net asset value and net asset value per share in the last reporting periods

	31.03.2023	Feb. .2023	Jan. 2023
Net asset value	3,304,373,194	3,336,738,119	3,229,171,842
Net asset value per share	6.5237	6.5747	6.3628

Explanatory note:

The valuation methods used for the financial instruments for which valuation methods have been chosen in accordance with the valuation standards in force, according to the law are
For the companies: IAMU, NAPOMAR, SAI MUNTENIA INVEST, CENTRAL, SIF HOTELURI, AZUGA TURISM income approach, discounted cash flow method was used;
For the companies: SIF 1 IMGB, ADMINISTRARE IMOBILIARE, SIF IMOBILIARE, SIF SPV TWO the asset approach, the corrected Net Asset method was used

Leverage and exposure value as per Regulation (EU) no. 231/2013

Method for calculating AIFRI exposure	Exposure value (RON)	Leverage (%)
Gross method	3,300,139,455	99.87%
Commitment method	3,304,373,194	1.00

Lion Capital S.A.

Certification of Depositary Bank,
Banca Comercială Română

PRESS RELEASE

Availability of Lion Capital's quarterly report as of March 31, 2023

May 15, 2023, Arad | Lion Capital (the new corporate name starting March 24, 2023, of SIF Banat-Crișana) informs the investors that the quarterly report prepared as of March 31, 2023, 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. 5/2018, ASF Regulation no. 7/2020, and ASF Rule no. 39/2015, is available to the public starting May 15, 2023, at 18:00 hours, at Company's headquarters and on Company's website at www.lion-capital.ro

Note that the financial statements as of March 31, 2023, are not audited.

Further information can be obtained from Investor Relations Office, **tel/fax** +40257 304 446 +40257 250 165, **e-mail** investitori@lion-capital.ro

Bogdan-Alexandru Drăgoi
Chairman and CEO

Compliance Officer, Eugen Cristea