



# LION CAPITAL

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## ANNUAL REPORT

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### **OF THE BOARD OF DIRECTORS**

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### FOR THE FINANCIAL YEAR

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# 2024

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

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

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# MAIN FINANCIAL AND OPERATIONAL INFORMATION

FINANCIAL POSITION [RONm]	2021	2022	2023	2024
Total Assets, of which	3,607.39	3,405.26	4,305.79	4,841.50
Total Financial Assets	3,579.13	3,374.95	4,286.62	4,788.15
Equity	3,416.13	3,242.85	4,100.37	4,593.62
Total Liabilities	191.26	162.41	205.41	247.88

FINANCIAL PERFORMANCE [RONm]	2021	2022	2023	2024
Income	135.55	174.92	166.28	229.64
Gain on Investment	288.29	(47.40)	296.85	(20.67)
Expenses	27.50	24.39	27.53	32.73
Gross Profit	396.34	103.12	435.58	176.24
Net Profit for the Year	387.00	95.47	417.26	161.73

FINANCIAL INDICATORS [%]	2021	2022	2023	2024
ROE (Net Profit / Equity)	11.33	2.94	10.18	3.52
ROA (Net Profit / Total Assets)	10.73	2.80	9.69	3.34
Gross Profit Margin (Gross Profit / Total Income)	73.32	27.43	77.58	39.90

STOCK AND NET ASSET PERFORMANCE	2021	2022	2023	2024
Stock Price (year end, in RON)	2.5400	2.4300	2.5900	2.8500
Net Asset Value* / Share (RON)	6.7170	6.3817	8.0847	9.0838
PER**	3.4	12.9	3.15	8.93
Dividend / Share (RON)	0.06	-	-	***
Accounting Net Asset / Share (RON)	6.7311	6.3897	8.0952	9.0959
Nominal Value of Share (RON)	0.1	0.1	0.1	0.1
Number of Issued Shares	515,422,363	507,510,056	507,510,056	507,510,056
Number of Outstanding Shares	507,510,056	507,510,056	506,520,056	505,020,056

\* calculated acc. to ASF regulations

\*\* calculated using EPS for the average number of shares in the respective year

\*\*\* as per the decision of GMS of April 2025

OPERATIONAL DATA	2021	2022	2023	2024
Number of Employees, year end	33	32	32	30
Number of Branch Offices	1	1	1	1

SHAREHOLDING STRUCTURE as of December 31, 2024	Number of shareholders	stake
Romanian Individuals	5,732,824	39.10%
Non-Resident Individuals	2,160	1.30%
Romanian Legal Entities	102	45.09%
Lion Capital (treasury shares)	1	0.49%
Non-Resident Legal Entities	14	14.02%
TOTAL	5,735,101	100%

# GENERAL INFORMATION

<b>COMPANY NAME</b>	<b>Lion Capital S.A.</b> (hereinafter referred to as “ <i>Lion Capital</i> ”, “ <i>The Fund</i> ” or “ <i>the Company</i> ”), the new corporate name, starting March 24, 2023, of SIF Banat-Crișana S.A.
<b>COMPANY TYPE</b>	<ul style="list-style-type: none"> <li>▪ joint stock company, Romanian legal entity with private capital</li> <li>▪ established as a self-managed investment company, authorized by the Financial Supervisory Authority as Alternative Investment Fund Manager (AIFM) - Authorization no. 78 / 09.03.2018, and as closed-ended alternative investment fund, diversified, addressed to retail investors (AIFRI) - Authorization no. 130 / 01.07.2021</li> </ul>
<b>SHARE CAPITAL</b>	<ul style="list-style-type: none"> <li>▪ RON 50,751,005.60 – subscribed and paid-up capital</li> <li>▪ 507,510,056 shares issued; 505,020,056 outstanding as of December 31, 2024</li> <li>▪ RON 0.10 per share nominal value</li> </ul>
<b>REGISTRATIONS</b>	<ul style="list-style-type: none"> <li>▪ Number in Trade Register J02/1898/1992</li> <li>▪ Tax Identification Code RO 2761040</li> <li>▪ Number in ASF AFIAA Register PJR07.1AFIAA / 020007 / 09.03.2018</li> <li>▪ Number in ASF FIAIR Register PJR09FIAIR / 020004 / 01.07.2021</li> <li>▪ Legal Entity Identifier (LEI) 254900GAQ2XT8DPA7274</li> </ul>
<b>MAIN ACTIVITY</b>	<p>Main activity is, as per the classification of economic activities in the national economy (NACE; ro: CAEN): financial intermediation, except for insurance and pension funds (NACE Code 64), and the main object of activity: Other financial intermediation n.c.a. (NACE Code 6499):</p> <ul style="list-style-type: none"> <li>a) portfolio management</li> <li>b) risk management;</li> <li>c) other activities carried out within the collective management of an investment fund, allowed by the legislation in force.</li> </ul>
<b>TRADING MARKET</b>	The company is listed since November 1, 1999, on the regulated market of Bucharest Stock Exchange (BVB or BSE) – Premium category symbol <b>LION</b> (since May 15, 2023, previously: SIF1)
<b>FINANCIAL AUDITOR</b>	<b>Deloitte Audit S.R.L.</b>
<b>DEPOSITARY BANK</b>	<b>Banca Comercială Română (BCR)</b>
<b>SHARES AND SHAREHOLDERS' REGISTER</b>	<b>Depozitarul Central S.A. Bucharest</b>
<b>REGISTERED OFFICE</b>	<p><b>Arad</b>, 35A Calea Victoriei, 310158, Romania  TEL +40257 304 438 FAX +40257 250 165  EMAIL office@lion-capital.ro WEB www.lion-capital.ro</p>
<b>BRANCH OFFICE</b>	<p><b>Lion Capital Arad-Bucharest Branch-Rahmaninov</b>  46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest</p>

# 1. ANALYSIS OF LION CAPITAL ACTIVITY

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## Economic Environment

### Global economic landscape

The year 2024 was marked by elections in over 60 countries worldwide, including the U.S. presidential elections, and those in Romania. The global economy continued its recovery, yet it still faces structural challenges stemming from post-pandemic effects, persistent inflationary pressures, and central banks' monetary policy decisions. Inflation maintained a downward trajectory globally, while financial markets experienced moderate volatility. Major stock indices generally recorded slight gains amid economic and political uncertainties. Persistent geopolitical tensions, alongside ongoing armed conflicts in Ukraine and the Gaza Strip/Palestine, continued to fuel concerns across global economies, leading to subdued consumer spending and fluctuating hydrocarbon prices, which stabilized toward the end of the year.

At a global level, the pace of recovery varies across regions, with some advanced economies showing moderate growth, while emerging markets continue to struggle with structural instabilities. The International Monetary Fund forecasts global economic growth of 3.3% for both 2025 and 2026, below the historical average of 3.7% recorded between 2000 and 2019. Inflation is expected to decline to 4.2% in 2025 and further to 3.5% in 2026, gradually converging toward long-term targets. Growth expectations remain uncertain due to the trade war initiated by the Trump administration, as the reactions of newly elected political leaders to U.S. trade measures remain unclear. What is certain, however, is that mismanagement of the trade war by any party could disrupt global trade - either slowing economic growth through sharp price increases that dampen consumption or reigniting inflationary pressures.

### European Economic Environment

The European economy faces challenges similar to those on a global scale, albeit compounded by regional specificities. In the Eurozone, inflation is expected to continue its deceleration and align with the medium-term inflation target throughout 2025, according to the European Commission's report. The Harmonised Index of Consumer Prices (HICP) declined from a peak of 10.6% in October 2022 - the highest level since the introduction of the euro - to 1.7% in September 2024. The European Commission projects that the HICP will decrease from 5.4% in 2023 to 2.4% in 2024, then to 2.1% in 2025 and 1.9% in 2026.

Economic growth remains modest and fragile, with recovery prospects emerging during 2025 and 2026. Real GDP is anticipated to grow by 0.8% in 2024, increasing to 1.3% in 2025 and reaching 1.6% in 2026.

The European Central Bank continues to implement a restrictive monetary policy to rein in inflation, gradually lowering key interest rates throughout 2024 - a trend that has persisted into the early months of the current year. Meanwhile, member states are adopting fiscal measures to stimulate growth, although these initiatives vary in scope and effectiveness.

Fluctuations in energy prices, exacerbated by geopolitical uncertainties—such as the repercussions of the conflict in Ukraine - are impacting production costs and diminishing consumers' purchasing power.

The automotive sector has been the most affected segment of Europe's economy. The European auto industry now finds itself at a critical juncture, grappling with heightened vulnerability amid the rapid rise of the Chinese automotive market. As Chinese manufacturers develop next-generation electric vehicles (EVs) with cutting-edge technology and significantly lower production costs, European automakers - hampered by high labour costs, elevated energy and gas prices, and a legacy industrial infrastructure - are forced to confront intense competitive pressures. Traditional competitive advantages are eroding, rendering factory closures, workforce reductions, and cost restructuring inevitable measures to sustain market presence. Furthermore, the forced transition from internal combustion engines to electric vehicles exacerbates this situation. Although Europe has imposed increasingly stringent environmental regulations aimed at reducing CO<sub>2</sub> emissions, the transition has been managed inefficiently. European auto manufacturers have struggled to develop a sufficiently affordable range of EVs, while Chinese

competitors- benefiting from subsidies and a modern business model—have rapidly expanded their market share. In addition, the dependency on imported components such as batteries and semiconductors expose the European supply chain to additional risks in the current geopolitical climate.

Overall, the European economic environment remains vulnerable to external shocks and the cumulative effects of restrictive monetary policies. The risks for 2025 include potential liquidity issues and macroeconomic imbalances, increased security costs- such as a higher percentage of GDP allocated to defence - and, not least, EU financial support expenditures aimed at concluding the conflict in Ukraine.

## Domestic Economic Environment

The year 2024 was defined by a series of economic recalibrations and profound structural transformations amid volatile domestic and international conditions. Romania, for the most part, succeeded in sustaining a relatively robust pace of economic growth despite global and European headwinds, yet it remains susceptible to their adverse impacts. The nation's economy recorded a modest growth rate of 0.9% in 2024 compared to 2023.

According to reports from the National Bank of Romania (BNR) on inflation and the National Institute of Statistics (INS), Romania experienced moderate inflationary pressures in 2024, driven by external factors - such as surging energy and raw material prices - and imbalances in domestic demand. A calibrated monetary policy, coupled with targeted fiscal measures, contributed to stabilizing the situation, although risks continue to persist. Data released by the BNR indicate that inflation exhibited notable volatility during the year. While the early months were marked by a rapid escalation in prices, subsequent monetary interventions engendered a significant moderation, culminating in a stabilization toward year-end - an outcome that underscored the efficacy of institutional measures rather than a fundamental structural recovery. Inflation followed the broader European trend, tapering from 10.4% in 2023 to 5.6% throughout 2024. Interest rates remained persistently elevated in light of prevailing domestic political conditions and twin deficits, and Romania entering a phase characterized by a demand shortfall—spurred by recent fiscal measures anticipated to temper inflationary pressures. Moreover, the BNR observed an easing in the labour market, accompanied by a reduction in wage growth pressures within the industrial sector—pressures that had, in recent years, consistently outstripped productivity and eroded Romania's competitive edge. Throughout the year, the policy interest rate was tactically lowered in two stages—from 7.00% to 6.75% following the BNR's decision on 8 July 2024, and further to 6.50% in August. Consistent with this downward trend, the rates for both the credit and deposit facilities also receded; the deposit rate declined from 5.75% to 5.50%, while the lending facility rate fell from 7.75% to 7.50%.

The national currency maintained its status among the most stable within the CEE region, albeit with modest long-term depreciation trends. BNR data reveal that the annual average USD/RON exchange rate in 2024 stood at 4.5984, compared to 4.5743 in 2023, while the EUR/RON rate was of 4.9746 in 2024 versus 4.9465 in 2023.

Per the National Trade Registry, the number of Romanian companies and individuals in insolvency surged by 9.4% year-on-year, reaching 7,274 in 2024 relative to the corresponding period in 2023.

The internal political turbulence at the end of 2024 negatively impacted the country's economic outlook, prompting Fitch and Standard & Poor's to revise Romania's rating outlook to negative. The parliamentary elections on December 1, 2024, resulted in a more fragmented legislature, but a pro-European coalition of three parties was swiftly formed. The new government announced fiscal consolidation measures and passed the 2025 budget in January. However, the coalition's stability remains fragile, and political pressures are expected to stay high, particularly during the presidential election campaign, potentially delaying additional fiscal consolidation measures until the second half of the year.

## Romanian Capital Market in 2024

The Romanian capital market evolved in a highly volatile environment, shaped by both internal and external factors. The complex geopolitical landscape of the previous year—marked by two ongoing wars and an announced trade war—fuelled widespread uncertainty and unpredictability. However, financial market investors adopted a less defensive stance than initially expected. Economic sentiment remained positive, supported by slowing inflation and expectations of monetary policy rate cuts, which in turn drove stock

price appreciation. Most major global indices closed the year with positive returns, with some gains continuing into 2025.

The domestic capital market posted notable increases in its indices and demonstrated a positive trajectory in trading volumes. In 2024, the average daily trading value reached RON 65.8m - over 30% lower than in 2023 - despite the total number of transactions climbing to 1.88 million, a 30% increase compared to the previous year. Additionally, the number of active trading accounts on the BVB surged by 27% relative to the corresponding period in 2023, reaching 226,000, which underscores the growing public interest in Romania's capital market. By comparison, there were approximately 66,000 active accounts in 2020, signalling a favourable trend for the domestic market over the medium to long term.

Furthermore, the total market capitalization of companies listed on the Bucharest Stock Exchange increased by 19% compared to 2023, reaching 350 billion lei. FIDELIS securities issues attracted a record sum of over RON 16bn in 2024, and a new issuer - Premier Energy (PE) - was also listed on the exchange.

The Central Counterparty project has entered a technical authorization phase; although timelines have slipped, the medium- to long-term introduction of derivative products is expected to significantly enhance market liquidity.

Sources of information:

European Commission - [https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/romania/economic-forecast-romania\\_en](https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/romania/economic-forecast-romania_en) • National Institute of Statistics - <https://insse.ro/cms> • National Commission for Strategy and Prognosis - <https://cnp.ro/> • Bucharest Stock Exchange - [www.bvb.ro](http://www.bvb.ro) • National Bank of Romania - [www.bnr.ro](http://www.bnr.ro) • Bloomberg Platform - [www.bloomberg.com](http://www.bloomberg.com) • [tradingeconomics.com](http://tradingeconomics.com) • [www.reuters.com](http://www.reuters.com) • [www.marketwatch.com](http://www.marketwatch.com) • [www.ft.com](http://www.ft.com) • [theguardian.com](http://theguardian.com)

# Analysis of the Portfolio under Management

Lion Capital's investment strategy is focused on maximizing portfolio performance, with the primary objective of enhancing the value of assets under management and optimizing investment income, in line with prudential principles and applicable regulatory requirements.

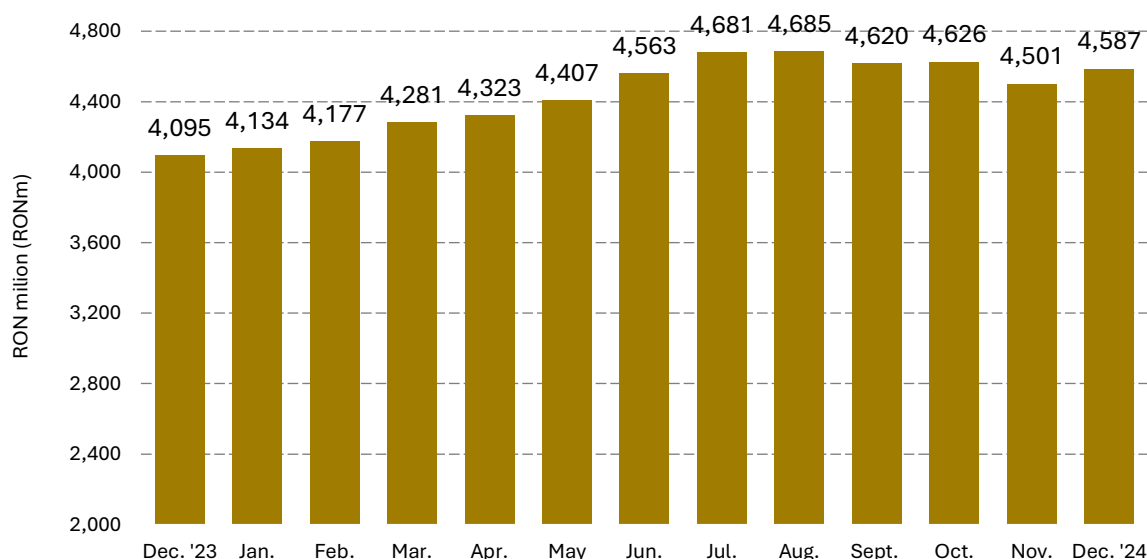
The financial objective is to achieve a sustainable portfolio return, driven by dividend income and capital gain.

Lion Capital is committed to the responsible and efficient management of a diversified portfolio of high-quality assets, designed to generate a stable income stream, preserve capital, and support sustainable medium- to long-term growth. The investment strategy is grounded in strong governance principles, aiming to maximize shareholder value and deliver attractive returns while adhering to the applicable regulatory framework.

## Net Asset Value (NAV) Evolution

As of December 31, 2024, Lion Capital's net asset value (VAN) amounted to **RON 4,587,479,210<sup>1</sup>**, up **12.02%** vs. the value recorded for 2023-year end, viz. **RON 4,095,059,742**. Net asset value per share (NAV/S) was of **RON 9.0838** as of December 31, 2024 (31.12.2023: **RON 8.0847** / share).

### MONTHLY NET ASSET VALUES DECEMBER 2023 - DECEMBER 2024

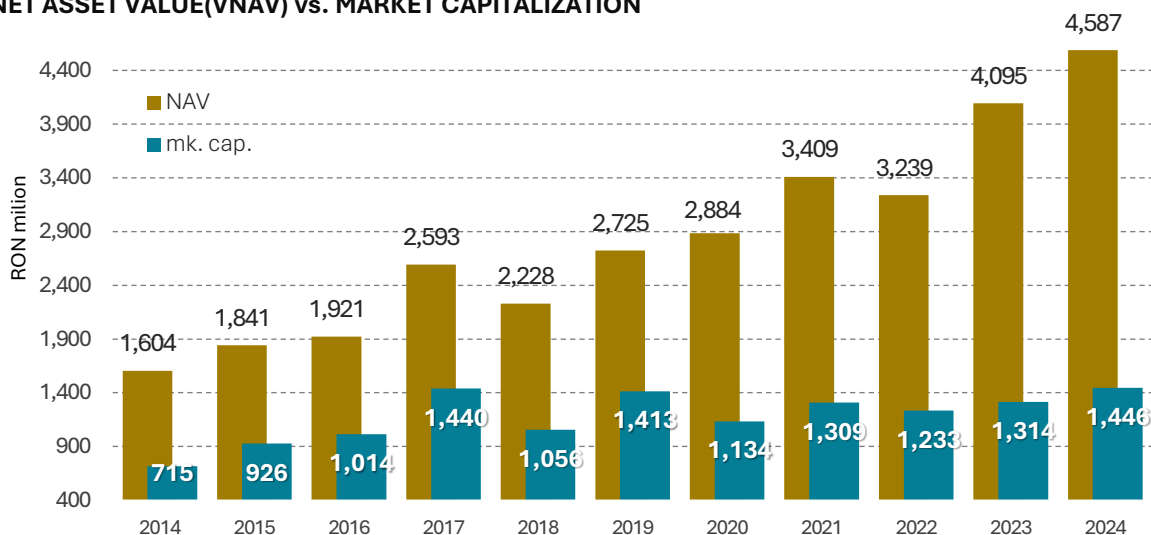


The calculation of NAV and NAV/S is performed monthly by Lion Capital, the values are certified by the depositary bank Banca Comercială Română (BCR).

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

<sup>1</sup> Net Asset Value as of 31.12.2024 was recalculated as follows: portfolio items (shares) measured on the basis of valuation reports - recorded at values updated as of 31.12.2024; non-portfolio items - based on the final balance sheet underlying the preparation of the standalone annual financial statements subject to the approval of the OGM of April 2025. Statement of assets and liabilities of Lion Capital as of December 31, 2024, and detailed statement of investments (as per annexes 10 and 11 to Regulation No. 7/2020) - restated and certified by the depositary of assets, Banca Comercială Română - are attached to this report.



**NET ASSET VALUE(VNAV) vs. MARKET CAPITALIZATION**

NOTE: net asset values (NAV) are those reported for the end of December for each year; until 2015 non-portfolio items were calculated based on accounting records pursuant to Romanian Accounting Regulations (RAS) in force at that time; and under IFRS for 2016 – 2024; mk. cap. calculated using closing price for LION (SIF1) stock in the last trading day of each year

## Methodology for Calculating the Net Asset Value

During 2024, NAV calculation was performed in accordance with the provisions of *Law no. 243/2019 on alternative investment funds and for the amendment and completion of certain normative acts* and of the *ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds* with subsequent amendments and completions. The reporting formats of *statement of assets and liabilities*, respectively *the detailed statement of investments*, related to the reporting period comply with the content established in annexes no. 10 and 11 of the ASF Regulation no. 7/2020, with subsequent amendments and completions.

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

The statement of Lion Capital's assets and liabilities as of December 31, 2024, prepared as per the provisions of annex 10 to Regulation no. 7/2020 is presented as annex to this report.

Throughout 2024, the measurement of assets for the calculation of net asset value was carried out in accordance with the regulations issued by the Financial Supervisory Authority, the provisions of ASF Regulation no. 10/2015 and of ASF Regulation no. 9/2014 (art. 113-122), with subsequent amendments and completions.

As per these regulations:

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

- 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;
- By way of exception from the provisions of letter a) above, in the case of joint stock companies admitted to trading on a regulated market or a multilateral trading system with a liquidity considered by Lion Capital, based on a judgment of prudential value in relation to the active market defined by International Financial Reporting Standard 13 - Fair value measurement (IFRS 13), as irrelevant for the

application of the marking to market valuation method, the shares of those companies will be measured in the assets of Lion Capital in accordance with the evaluation standards in force, according to the law, based on an evaluation report.

c) In 2024, Lion Capital maintained this valuation method for the following portfolio companies: SIF Imobiliare PLC (symbol SIFI), SIF Hoteluri SA (symbol CAOR), and IAMU SA (symbol IAMU). The analysis carried out by the company revealed that for the issuers SIF Imobiliare, SIF Hoteluri and IAMU, the active market criteria are not respected, as during 2024 transactions representing less than 1% of the issuer's share capital were recorded, the total number of transactions being less than 250 (during the last 12 months), their frequency being insufficient to meet the criterion of providing reliable price information on an ongoing basis.

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

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

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

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

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

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

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

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

In accordance with ASF regulations, an internal analysis of the liquidity of issuers in the portfolio listed on the regulated market or on the AeRO market operated by the BVB was conducted in February 2024, aiming to identify situations where the market marking principle is not relevant, following the provisions of IFRS 13 – "Fair Value Measurement" regarding the definition of an "active market" and the main aspects to be considered in measuring fair value.

The conducted analysis ascertained that:

- The active market criteria are not met for several issuers in the portfolio, as both in the last 12 calendar months analysed (Jan. 2023 - Jan. 2024), and in February 2024, transactions representing less than 1% of the issuer's share capital were recorded, with the total number of transactions being less than 250 (in the same analysed interval), and their frequency being insufficient to meet the criterion of providing reliable price information continuously.
- Considering the provisions of Article 114, paragraphs (4) and (5) of ASF Regulation no. 9/2014, supplemented by ASF Regulation No. 20/2020, we consider it opportune and necessary to maintain the

evaluation methodology for majority participations without an active market – SIF Imobiliare Plc, SIF Hoteluri SA Oradea, IAMU SA Blaj, using the evaluation method permitted under Article 114, paragraph (4), namely, the shares of these companies to be measured in the Lion Capital's assets in accordance with the applicable evaluation standards, based on an evaluation report. The application of the mark-to-market method is irrelevant for these issuers based on the presented analysis.

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

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

DENOMINATION		SIF IMOBILIARE	SIF HOTELURI	IAMU
<b>No. of shares held by Lion Capital</b>		4,499,961	31,820,906	9,170,588
<b>Stake held</b>		99.9997%	98.9997%	96.5310%
<b>Trades in 2023</b>	Total volume	1	265,612	11,517
	no. of trading days	1	98	58
<b>% trade volume in 2023 of:</b>	Share capital	0.00002	0.82636	0.12123
	LION stake	0.00002	0.83471	0.12559
<b>Trades &lt;12 months</b>	Total volume	1	276,241	11,643
	no. of trading days	1	121	57
<b>% trade volume in &lt;12 months of:</b>	Share capital	0.00002	0.85943	0.12256
	LION stake	0.00002	0.86811	0.12696
<b>Trades in February 2024</b>	Total volume	1	45,424	125
	no. of trading days	1	13	4
<b>% trade volume in February 2024 of:</b>	Share capital	0.00002	0.14132	0.00132
	LION stake	0.00002	0.14275	0.00136

## Portfolio Structure

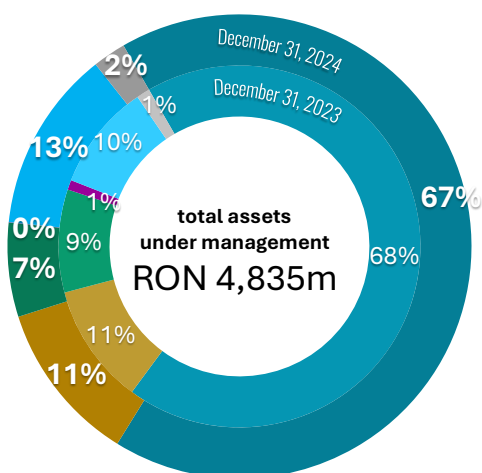
Throughout 2024, Lion Capital's investment operations were conducted in full compliance with the limits and restrictions imposed by the applicable legal framework, in accordance with the provisions of Law no. 243/2019 on the regulation of alternative investment funds. These regulations apply to its status as a closed-end, diversified alternative investment fund addressed to retail investors. No breaches of the established investment limits were recorded in 2024.

To ensure prudent risk management in investment activities, rigorous internal procedures are in place for identifying, monitoring, and controlling exposures. Management regularly reviews compliance with prudential limits and investment restrictions, ensuring continuous oversight. In the event of inadvertent breaches of these limits due to market fluctuations or other external factors, the management team has the capability to take immediate corrective measures to restore compliance with applicable regulations and safeguard investors' interests.

The detailed statement of Lion Capital's investments as of December 31, 2024, prepared pursuant to Annex 11 of Regulation no. 7/2020, is presented as annex to this report.

**ASSETS UNDER MANAGEMENT as of December 31, 2024**

breakdown on classes (weight on total assets)



■ **listed shares**  
worth **RON 3,247.38m**  
(31.12.2023: RON 2,944.09m)

■ **unlisted shares**  
worth **RON 545.08m**  
(31.12.2023: RON 463.12m)

■ **unlisted fund units**  
worth **RON 316.97m**  
(31.12.2023: RON 395.55m)

■ **corporate bonds**  
worth **RON 1.26m**  
(31.12.2023: RON 37.45m)

■ **bank deposits + cash available**  
worth **RON 612.92m**  
(31.12.2023: RON 408.81m)

■ **receivables and other assets**  
worth **RON 111.76m**  
(31.12.2023: RON 51.45m)

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

As of December 31, 2024, the value Lion Capital's stock portfolio reached RON 3,792.46m (2023: RON 3,407.21m) having a weigh of 78.43% in the total assets under management at 2024 year-end.

## Stock Portfolio Structure

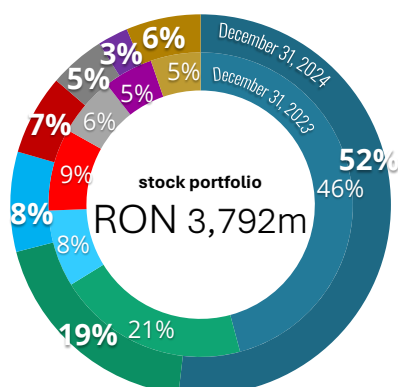
Reported in relation to the market value of the portfolio, a significant weight in the portfolio structure at the end of 2024 is still held by the financial-banking sector (51.86%), which includes banks, AIF, and AIFM, as well as other companies in the financial sector, the commerce - real estate sector (19.15%), and the pharmaceutical sector (8.48%).

The financial-banking sector continues to hold the most important stake in the portfolio under management, and the value of holdings in this sector, calculated in accordance with ASF regulations, recorded an increase during 2024, driven by the growth of the quotations of securities on the trading markets.

Lion Capital's asset portfolio fell within the holding limits set by ASF regulations throughout 2024. Detailed information is provided in the *Risk Management* subchapter.

## STOCK PORTFOLIO

breakdown by sector



### financial - banking

stakes in **9** companies, worth **RON 1,966.76m**  
(31.12.2023: 11 companies, worth RON 1,561.27m)

### commerce – real estate

stakes in **5** companies, worth **RON 726.17m**  
(31.12.2023: 8 companies, worth RON 694.25m)

### energy - utilities

stakes in **3** companies, worth **RON 321.63mn**  
(31.12.2023: 3 companies, worth RON 278.83m)

### pharmaceuticals

stake in **1** company, worth **RON 258.54m**  
(31.12.2023: 1 company, worth RON 298.37m)

### cardboard and paper

stakes in **1** company, worth **RON 180.28m**  
(31.12.2023: 4 companies, worth RON 215.18m)

### hospitality (hotels and restaurants)

stakes in **2** companies, worth **RON 98.67m**  
(31.12.2023: 3 companies, worth RON 178.79m)

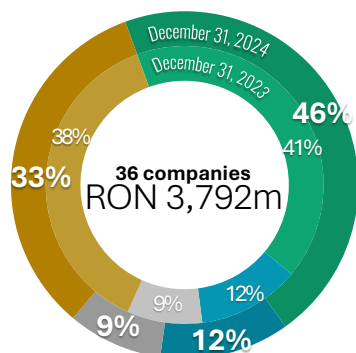
### other industries and activities

stakes in **15** companies, worth **RON 240.42m**  
(31.12.2023: 43 companies, worth RON 180.53m)

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

## STOCK PORTFOLIO

breakdown by stake held



### up to 5%

stakes in **13** companies  
worth **RON 1,733.47m** (31.12.2023: 23 companies, RON 1,418.06m)

### 5-33%

stakes in **10** companies  
worth **RON 458,85m** (31.12.2023: 36 companies, RON 405.48m)

### 33-50%

stakes in **2** companies  
worth **335,59 mRON** (31.12.2023: 3 companies, RON 298.37m)

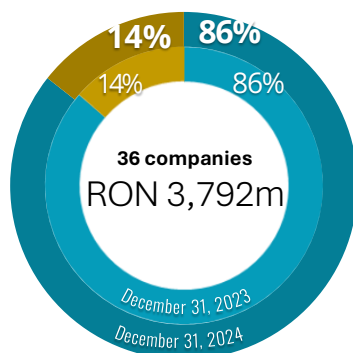
### over 50%

majority stakes in **11** companies  
worth **RON 1,264,55 mRON** (31.12.2023: 11 companies, RON 1,285.31m)

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

**STOCK PORTFOLIO**

breakdown on liquidity



## ■ listed companies

**RON 3,247.38m** (31.12.2023: RON 2,944.09m) value of shareholdings in **23** companies (31.12.2023: 25)

## ■ unlisted companies

**RON 545.07m** (31.12.2023: RON 463.12m) value of shareholdings in **13** companies (31.12.2023: 48)

Note: percentages in the chart represent the stake of the category in the stock portfolio; values calculated as of **September 30, 2024 (the outer ring)**, and **December 31, 2023 (the inner ring)**, as per ASF Regulations no. 9/2014, no. 10/2015, and no. 7/2020

## Stock Portfolio Management

At the end of 2024, Lion Capital held majority stakes - over 50% of the share capital of the issuer - in 11 companies (2023: 11) with a combined value of RON 1,264.55m, representing 27.56% of NAV (Net Asset Value).

Throughout 2024, Lion Capital's leadership continued their efforts to streamline the management process of majority stakes, actively engaging and supporting the development plans and medium to long-term strategies of the companies. In 2024, the Company collected dividend income amounting to RON 194.43m, up 28% vs. 2023.

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

Company (market symbol)	Sector	Stake held	Value* [RON]	% of NAV
1. Banca Transilvania ( <b>TLV</b> )	financial - banking	4.78%	1,184,236,335	25.81%
2. SIF Imobiliare Plc ( <b>SIFI</b> )	real estate	99.99%	441,742,722	9.63%
3. SIF1 IMGB	real estate	99.99%	272,410,465	5.94%
4. Longshield Investment Group ( <b>LONG</b> )	financial (AIF)	18.48%	271,480,700	5.92%
5. Biofarm ( <b>BIO</b> )	pharmaceuticals	36.75%	258,536,963	5.64%
6. BRD Groupe Société Générale ( <b>BRD</b> )	financial - banking	1.95%	253,792,864	5.53%
7. OMV Petrom ( <b>SNP</b> )	energy – utilities	0.57%	251,752,575	5.49%
8. Vrancart ( <b>VNC</b> )	cardboard and paper	76.33%	180,277,396	3.93%
9. Infinity Capital Investments ( <b>INFINITY</b> )	financial (AIF)	10.70%	122,940,051	2.68%
10. SAI Muntenia Invest	financial (AIFM)	99.98%	107,211,453	2.34%
<b>TOTAL</b>			<b>3.344.381.524</b>	<b>72.90%</b>

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

The structure and composition of Lion Capital's portfolio reflect a predominant allocation to listed companies on regulated markets, with continuous adjustments to respond to economic dynamics and financial market developments. The allocation strategy aims to maintain an optimal balance across different economic sectors, ensuring adequate diversification and mitigating specific risk exposures.

The primary objective is to identify and capitalize on growth and development opportunities within a well-defined investment framework that aligns with the assumed risk profile. To this end, Lion Capital conducts ongoing assessments of economic trends, macroeconomic and geopolitical factors, and capital market developments. This approach enables proactive risk management and swift adaptation to changes in the investment landscape, ensuring the portfolio's sustainability and performance over the medium and long term.

## Information on the largest shareholdings in the stock portfolio

### 1. BANCA TRANSILVANIA

Consolidated Results [RONm]	2023	2024*	Δ
<b>Net Interest Income</b>	5,256.68	6,907.76	31.4%
<b>Net Fee and Commission Income</b>	1,267.65	1,487.83	17.4%
<b>Net Trading Income</b>	657.02	938.29	42.8%
<b>Operating Income</b>	7,724.96	10,067.76	30.3%
<b>Operating Expenses</b>	3,505.91	4,863.28	38.7%
<b>Gross Result</b>	3,705.96	5,444.87	46.9%
<b>Net Profit</b>	2,984.23	4,731.97	58.6%

\*preliminary results

By the end of 2024, BT Financial Group's assets reached RON 207bn, reflecting a year-on-year increase of over 22%. Loans grew to RON 96.4bn (up 27% year-on-year), while client deposits amounted to RON 168bn (a 21% increase year-on-year).

The Group's consolidated net profit stood at RON 4,731.9m, including RON 3,531.7m attributable to the bank, whose operating profit increased by 28% year-on-year to RON 3,501m.

The number of active clients continued its upward trend, reaching 4.6m, while operational efficiency - measured by the cost-to-income ratio - remained stable at 45.4%. The gross loan portfolio expanded by 13.5% year-on-year, with corporate lending outperforming retail lending, and the non-performing exposure ratio remained largely unchanged, ranging from 1.98% to 2.07%. Return on equity reached 27%, surpassing the local banking system average of 18.4%.

Banca Transilvania, trading under the stock symbol TLV (ISIN: ROTLVAACNOR1), is listed on the Bucharest Stock Exchange, trading on the Main segment, Premium category. Lion Capital holds a 4.78% stake in Banca Transilvania as of December 31, 2024.

### 2. SIF IMOBILIARE PLC

Consolidated Results [EURm]	2021	2022	2023
<b>Total Revenues</b>	9.2	11.5	13.8
<b>Gross Profit</b>	6.2	7.9	10.7
<b>Net Profit</b>	5.8	6.1	8.8

\* data published by the company on BVB

For the first half of 2024, the company reported standalone total revenues of EUR12.5m and a net profit of EUR 12.4m.

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

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

The General Meeting of Shareholders of April 2024 decided to distribute the amount of EUR 7,019,959 as dividends from the profit of the year 2023, the dividend per share being of EUR 1.56.

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

### 3. SIF 1 IMGB

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



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

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

The company achieved a net profit of RON 35.6m in the 2024 financial year, vs. RON 103.6m in 2023.

#### 4. LONGSHIELD INVESTMENT GROUP

	2021	2022	2023	2024
<b>Net Profit [RONm]</b>	266.19	-33.22	212.8	86.85
<b>NAV/S [RON]</b>	2.5267	2.4367	2.9918	3.3137
<b>Dividends [RONm]</b>	-	-	-	-

\* preliminary results

Longshield Investment Group SA (formerly SIF Muntenia SA) is a Romanian legal entity incorporated as a joint-stock company with wholly private capital. Its operations are governed by both the general Romanian legal provisions and the specific regulations applicable to the Romanian capital market. The company is registered with the Financial Supervisory Authority in Section 9 – FIA (Alternative Investment Funds), Subsection – Alternative Investment Funds for Retail Investors established in Romania (FIAIR) under registration number PJR09FIAIR/400005. Longshield Investment Group SA was authorized as a FIAIR on July 9, 2021 by ASF Authorization no. 151/09.07.2021.

The shares of Longshield Investment Group, trading under the ticker symbol LONG, are listed on the Bucharest Stock Exchange in the Premium category. The company's portfolio comprises the following main categories of financial instruments: equities, bonds, fund units, and bank deposits.

As of December 31, 2024, Lion Capital holds an 18.48% stake in the share capital of Longshield Investment Group S.A.

#### 5. BIOFARM

	2021	2022	2023	2024
<b>Turnover [RONm]</b>	239.0	276.9	280.3	286.77
<b>Operating Profit [RONm]</b>	68.1	77.7	76.83	78.12
<b>Net Profit [RONm]</b>	60.3	70.9	77.01	74.40
<b>Dividends [RONm]</b>	23.6	29.56	30.55	-

\* preliminary results

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

Biofarm has over 100 products in its portfolio and covers over 60 therapeutic areas. On eight of these, Biofarm is the market leader. Biofarm is expanding its presence and currently they are already present in nine countries: Albania, Azerbaijan, Georgia, Iraq, Kyrgyzstan, Lithuania, Republic of Moldova, Ukraine and Hungary.

According to the preliminary financial results, Biofarm delivered a performance in 2024 that remained consistent with the milestones achieved in 2023. The company generated sales revenues of RON 286.77m, reflecting a moderate increase of 2.31% compared to RON 280.29m in the previous fiscal year. In the same period, raw material expenses decreased by 1.93% to RON 47.69m, while personnel expenses declined by 1.70% to RON 51.91m.



As of 31 December 2024, Biofarm's total assets amounted to RON 554.86m, marking robust growth of 12.36% relative to RON 493.81m at the end of the prior year. Concurrently, total liabilities surged by 28.56% to RON 76.60m, up from RON 59.40m.

Net profit experienced a slight decline, reaching RON 74.40m as of December 31, 2024, compared to RON 77.01m at the end of 2023.

Biofarm, presently under stock symbol BIO (ISIN: ROBIOFACNOR9), has been listed on the BVB since November 19, 1996, currently trading on the Main segment, Premium category. Lion Capital holds a stake representing 36.75% of Biofarm's share capital as of December 31, 2024.

## 6. BRD - GROUPE SOCIÉTÉ GÉNÉRALE

Consolidated Results [RONm]	2023	2024*	Δ
<b>Net Interest Income</b>	2,725.2	2,911.6	6.8%
<b>Net Fee and Commission Income</b>	750.2	808.8	7.8%
<b>Net Trading Income</b>	340.8	345.4	1.3%
<b>Net Banking Income</b>	3,834.2	4,032.0	5.2%
<b>Operating Expenses</b>	1,895.1	2,023.3	6.8%
<b>Gross Result</b>	1,996.5	1,863.4	-6.7%
<b>Net Profit</b>	1,655.8	1,523.8	-8.0%

\* preliminary results

For 2024, preliminary financial results published on the Bucharest Stock Exchange (BVB) indicate a mixed performance for the BRD Group: while net revenues recorded significant growth, profitability declined compared to the previous year. According to data released on BVB, despite an expansion in banking activity, higher operating expenses and increased provisions negatively impacted net profit, reflecting the challenges of a complex economic environment. Revenue growth was driven by positive developments in key segments, such as an expanding loan portfolio and an increase in retail banking activities. However, profitability was affected by a disproportionate rise in operating expenses and credit risk provisions, necessitating higher reserves. According to preliminary reporting, BRD Group recorded a preliminary net profit of RON 1.52 billion in 2024, marking an 8% decline compared to the previous year. This decrease occurred despite a 5% increase in net banking income, which reached approximately RON 4 billion. The revenue increase was supported by higher volumes across all business segments, but profitability was constrained by rising operating costs and net provisioning allocations.

Operating expenses rose by 6.8%, mainly due to the introduction of a turnover tax, which amounted to nearly RON129m in 2024. Additionally, BRD recorded a net provisioning allocation of RON 145m, compared to a provision release of RON 57m in 2023, reflecting a more cautious risk management approach.

On the commercial front, BRD reported strong performance, with net loans, including leasing receivables, increasing by 12.8% compared to the end of 2023. The retail segment recorded a historic high in new loans granted to individuals, totalling RON 7.7bn in 2024, further strengthening the bank's market position.

BRD - Groupe Société Générale, trading under the stock symbol BRD (ISIN: ROBRDBACNOR2), is listed on the Bucharest Stock Exchange on the Main segment, Premium category. Lion Capital SA holds a 1.95% stake in BRD - Groupe Société Générale as of December 31, 2024.

## 8. OMV PETROM

Consolidated Statements [RONm]	2021	2022	2023	2024*
<b>Sales Income</b>	26,011.1	61,344.4	38,808	35,765
<b>Operating Result</b>	3,708.8	12,038.7	7,554	4,855
<b>Financial result</b>	-310.7	17.1	263	113
<b>Amortization and Depreciation</b>	3,399.4	5,064.3	3,216	4,143
<b>Net Profit</b>	2,864.3	10,300.0	4,030	4,190

\* preliminary results

According to the preliminary results published by the company, OMV Petrom recorded a net profit of RON 4.2bn in 2024, marking a 4% increase compared to the previous year, when it was required to pay the solidarity contribution on refined crude oil. However, Clean CCS operating result, excluding special items,

declined by 32% to RON 5.7bn, impacted by lower prices and the negative effect of legislative changes on the Gas and Power segment, which resulted in a negative performance in Q2 and Q4 2024.

In the Exploration and Production segment, the company reported hydrocarbon production of 109 thousand barrels of oil equivalent per day, exceeding expectations and marking the lowest decline in the past seven years. This performance was supported by successful well interventions and drilling activities, which mitigated the natural decline of reserves. However, the operating result was affected by lower natural gas prices and reduced volumes available for sale.

In the Refining and Marketing segment, OMV Petrom maintained stable performance, with a refining margin of USD 9.2/barrel, though down 34% from the previous year. The refinery utilization rate stood at 97%, significantly above the European average, while total sales of refined products increased by 6%, supported by approximately 4% growth in retail volumes in Romania.

The company continued investing in strategic projects, allocating RON 7.2bn in 2024, with a strong focus on developing the offshore Neptun Deep project, renewable energy projects, and expanding its electric vehicle charging network. For 2025, OMV Petrom plans record investments of approximately RON 8bn, contingent on maintaining a predictable and competitive fiscal and regulatory environment.

Following the preliminary results for the year ended December 31, 2024, the Executive Board of OMV Petrom S.A. has proposed a base gross dividend of RON 0.0444 per share for the 2024 financial year, representing a 7.5% increase compared to the previous year. This proposal aligns with the company's current dividend policy and will be subject to approval at the Ordinary General Meeting of Shareholders in April 2025. Additionally, in the second half of 2025, the Executive Board will assess the potential distribution of a special dividend, depending on financial performance and market conditions.

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

## 8. VRANCART

Consolidated Statements [RONm]	2021	2022	2023	2024*
<b>Turnover</b>	453.9	607.3	500.3	486.9
<b>Operating Profit</b>	12.4	37.7	18.8	-5.2
<b>Financial Result</b>	-4.6	-12.0	-12.2	-10.7
<b>Amortization and Depreciation</b>	35.1	34.9	42.9	48.5
<b>Net Profit</b>	6.34	22.9	5.4	-17.4

\* preliminary results

Vrancart operates in the collection and recycling of non-hazardous waste, serving the paper industry for cardboard, corrugated board, corrugated packaging, and hygienic-sanitary paper. The company maintains operational facilities in Bucharest, Pantelimon, Chiajna, Călimănești, Sântana de Mureș, Iași, Ploiești, Sibiu, Brașov, Pitești, Timișoara, Bacău, and Cluj.

The Company has consistently invested in technological modernization and capacity expansion, implementing efficient waste collection and recycling solutions that have reinforced its leadership position in the national market and contributed to the development of a sustainable circular economy.

During 2024, despite management's focused efforts to reduce production costs and operating expenses, enhance operational efficiency, and improve labor productivity, the Company's performance was adversely impacted by a sustained rise in the cost of key raw materials. The acquisition cost of waste for corrugated paper increased by 35%, while that for hygienic-sanitary paper surged by 41%. Moreover, the cost of paper purchased from third parties rose by 17%, and wage increases along with elevated utility costs further eroded profitability.

The Group concluded 2024, on a consolidated basis, with a turnover of RON 486.9 million and a net loss of RON 17.4 million.

Nonetheless, the Company remains committed to investing in state-of-the-art technologies and optimizing its production and recycling processes. By diversifying its product portfolio and embracing

sustainable practices, Vrancart S.A. aims to reverse its financial performance and fortify its strategic market position, thereby paving the way for robust growth in the years ahead.

The Vrancart Group includes:

Rom Paper SRL (“Branch 1”), established in 2002, is a privately-owned company with Romanian capital, operating in the production of hygienic-sanitary articles from recycled paper and cellulose, such as: table napkins, folded towels, toilet paper, professional rolls, cosmetic towels, and boxed napkins. The products are sold both in Romania and in 6 other countries, through retail chains (hypermarkets, supermarkets, cash and carry), as well as through distributors, standing out on store shelves with its own brands “Mototol” and “Papely”, as well as various private labels of its customers. As of December 31, 2024, the Group owned 100% of the company's equity shares.

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

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

The shares of Vrancart SA are listed on the Bucharest Stock Exchange starting from July 15, 2005, on the Standard category, having the symbol VNC (ISIN: ROVRJUACNOR7). The company is owned 76.33% by Lion Capital S.A., 17.35% by Pavăl Holding SRL, and 6.32% by other shareholders.

## 9. INFINITY CAPITAL INVESTMENTS

	2021	2022	2023	2024*
<b>Net Profit</b> [RONm]	37.62	164.81	67.67	122.10
<b>NAV/S</b> [RON]	4.3953	4.4328	5.8888	7.9198
<b>Dividends</b> [RONm]	25.00	15.00	-	-

\* preliminary results

Infinity Capital Investments S.A. (formerly SIF Oltenia SA) is a Romanian private entity incorporated as a joint-stock company. The Company is classified, in accordance with applicable legal provisions, as a closed-end Alternative Investment Fund (AIF) for retail investors, in the diversified, self-managed category. It is authorized by the Financial Supervisory Authority as an alternative investment funds manager (AIFM.) under Authorization no. 45/15.02.2018, and as an Alternative Investment Fund for Retail Investors pursuant to Authorization no. 94/08.06.2021.

Infinity Capital Investments' shares, trading under the ticker symbol INFINITY, are admitted to trading on the Bucharest Stock Exchange in the Premium category. The Company's portfolio comprises the following main categories of financial instruments: equities, fund units, and bank deposits.

As of December 31, 2024, Lion Capital holds a 10.70% stake in the share capital of Infinity Capital Investments.

## 10. SAI MUNTENIA INVEST

	2021	2022	2023	2024
<b>Total Income</b> [RONm]	53.11	30.93	50.28	48.16
<b>Total Expenses</b> [RONm]	10.72	11.98	13.00	25.19
<b>Net Profit</b> [RONm]	35.86	16.07	33.26	22.98

SAI Muntenia Invest SA was established in 1997 was acquired by Lion Capital in 2013 and operates as an independent investment management company without any subsidiaries, branches, or offices. As of December 31, 2024, Lion Capital holds a 99.98% stake in SAI Muntenia Invest's share capital.

The Company's principal activity (NACE Code 6499 – Other financial intermediation not elsewhere classified) comprises the management of collective investment schemes in securities (UCITS) established in Romania or another EU Member State, as well as the management of alternative investment funds (AIFs), in accordance with applicable legislation. SAI Muntenia Invest is authorized by the Financial Supervisory Authority (ASF) to operate as an Investment Management Company, and its activities are regulated and supervised by the ASF.

In 2024, SAI Muntenia Invest's core operations included the management of Longshield Investment Group S.A., FDI PLUS Invest, and FIA Muntenia Trust. The administration, management of the financial asset portfolio, and execution of investment transactions on behalf of Longshield Investment Group S.A. were carried out in compliance with current legal provisions, the management agreement between SAI Muntenia Invest and Longshield Investment Group S.A., the constitutional documents of Longshield Investment Group S.A., and the Administration Program approved by its General Meeting of Shareholders.

The open-ended investment fund PLUS Invest operates under Authorization No. A/86/09.04.2014 issued by the ASF and is registered in the ASF Register under number CSC06FDIR/120092. FDI PLUS Invest aims to allocate financial resources in such a manner as to protect investors' capital from the long-term erosion effects of inflation, while achieving returns superior to those obtainable through individual bank deposits. In 2024, the Fund was managed on a continuous basis, adhering to its governing documents and all applicable legal regulations.

FIA Muntenia Trust is classified as an Alternative Investment Fund of the contractual private capital type (FIAIPCP) targeted at professional investors. Its objective is to identify opportunities offering superior risk-adjusted returns to drive long-term capital growth. FIA Muntenia Trust was authorized as an FIAIPCP by ASF Authorization No. 147/13.10.2022 and is registered in the ASF Register under number CSC09FIAIPCP/400001. The Fund's mandate is to mobilize the financial resources attracted from its investors for investment predominantly in the equities and bonds of Romanian companies. It is designed for professional investors with an above-average risk appetite who endorse and align with the Fund's investment policy.

During 2024, SAI Muntenia Invest, whether investing on its own behalf or through the entities under its management, refrained from investing in derivative financial instruments whether traded on regulated markets, on organized trading facilities (OTF), or over-the-counter (OTC). The Company did not employ leverage, collateralized transactions, or asset reuse techniques, nor did it engage in securities financing transactions (SFTs) or utilize total return swap instruments as defined by EU Regulation 2015/2365.

## Workout Portfolio

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

As of December 31, 2024, the number of these companies was of 4 (December 2023: 40).

During 2024, four companies were removed from the portfolio due to liquidation, whose value had been provisioned in previous years, and 32 companies were sold.

As of December 31, 2024, two companies were in bankruptcy/insolvency/dissolution proceedings. These companies are reflected in the calculated value of the portfolio at zero.

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

## Purchases and Sales of Financial Assets in 2024

During 2024, the main acquisitions of financial assets were as follows:

- In domestic markets, totalling RON 169.52m, of which RON 83.37m investments in acquisitions of securities measured at fair value through other comprehensive income, and RON 85.15m in securities acquisitions/capital contributions measured at fair value through profit and loss.

The principal asset disposals during 2024 include:

- Sales of shares, measured at fair value through other comprehensive income amounting to RON 0.4m, and shares measured as assets at fair value through profit and loss amounting to RON 44.74m.

## Engagement policy and principles on exercising the voting rights for the portfolio under the management in 2024

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

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

In 2024, the Fund acted on several fronts regarding the engagement policy:

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

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

### **b) Dialogue with issuers**

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

### **c) Exercise of voting rights**

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

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

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

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

In 2024, Lion Capital participated in all general meetings of issuers where the company's voting power is strategically important, actively involving itself in decisions regarding the approval of financial statements, revenue and expense budgets, investment programs, as well as all other resolutions proposed and discussed at the respective general meetings.

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

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

## Risk Management

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

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

In 2024, the Board of Directors paid heightened attention to monitoring the evolution of the risks to which the Company is exposed, by promoting prudent conduct and implementing preventive measures designed to ensure the mitigation or management of specific risks.

### Main Risks for the Fund

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

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

In analysing investment risk and its potential materialization, all significant holdings have been structured according to relevant portfolios of financial instruments into 3 classes of instruments: (i) equity instruments: listed shares, unlisted shares; (ii) debt instruments: bonds (governmental, municipal, corporate), bank deposits (placements), units of funds issued by investment funds, (iii) derivative instruments for risk reduction/coverage/management – a category not represented in the portfolio in 2024.

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

#### a) Market Risk

**Market risk** represents the risk arising from unfavourable fluctuations in the value or income generated by held assets, or from variations in exchange rates or interest rates.

From the Company's perspective, there are four major types of market risk: price/position risk, interest rate risk, currency risk and concentration risk, evaluated as follows:

- the risk that the fair value of held financial instruments fluctuates due to market price changes—caused either by factors specific to the issuers' activities or by factors affecting all traded instruments. It is assessed using the PROXI-85 portfolio, which serves as a benchmark for price risk

in the traded equity portfolio and is analysed in comparison with the total risk of the BET-BK index as an indicator of future volatility.

- the risk that fluctuations in market interest rates are reflected in the fair value or future cash flows of the portfolio of assets and debt instruments.
- currency risk pertains to the risk affecting financial instruments and assets denominated in euros—such as equities, loans granted to subsidiaries, as well as monetary instruments including deposits and current accounts.
- the top three sectors with significant weights in the total asset structure are the banking sector, investment management, and real estate.

The objective of market risk management is to control and manage market exposures within acceptable parameters while optimizing returns relative to the associated risks. Regarding the Company's interest-bearing financial instruments, the strategy is to invest predominantly in short-term instruments, thereby partially mitigating both fluctuation risk and maturity mismatch risk (the Company does not have any liabilities with maturities exceeding one year).

The exposure diversification policy applies to the portfolio structure, the business model structure, and the structure of exposures to financial risks.

No derivative transactions were conducted during the 2024 financial year.

The Risk Management department continuously monitors market risk, and internal procedures stipulate that if price risks diverge from the investment policy, the Company's principles, or its risk profile, a prudent rebalancing of the portfolio must be undertaken.

#### b) Liquidity Risk

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

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

The liquidity risk associated with the Fund's payment obligations is low, as current liabilities can be immediately covered by the balance of current accounts and short-term deposits.

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

#### c) Credit Risk

The Fund is exposed to credit and counterparty risk due to investments made in debt instruments issued by commercial companies, current accounts and bank deposits, and other receivables. Credit risk is mitigated by placing the cash resources in at least 3 banks, with placements made at the top banks in the system, with ratings similar or close to the country rating (BBB+ and BB+ as confirmed by rating agencies in 2024).

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

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

#### d) Operational Risk

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



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

For the year 2024, based on the value of assets under management as of the last working day of the previous year, Lion Capital was classified by ASF as having a medium risk category for operational risks generated by information systems. In March 2024, an internal assessment of operational risks generated by information systems was conducted in accordance with ASF Norm no. 4/2018 for the year 2023.

The Company conducts a comprehensive internal assessment of all operational risks, including those arising from the use of information and communications technology, and has established an Operational Risk Register to capture risks generated by the use of IT systems by personnel, processes, systems, and the external environment.

Operational expenses associated with these risks accounted for 0.001% of NAV, while the approved operational risk tolerance is set at 1% of NAV within the overall risk profile for a medium risk appetite.

#### **Money laundering and terrorist financing (ML/TF) risk**

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

For the year 2024, all business partners received a low inherent risk score (0–5 points) and were subject to simplified customer due diligence measures and routine monitoring of the business relationship. The total residual risk remaining after applying internal controls to the inherent risk leads to the conclusion that Lion Capital's exposure to money laundering/terrorist financing risk is low, within the limits defined by the overall risk profile and the assumed risk appetite.

#### **e) Other Risks for the Fund**

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

#### **f) Overall risk profile**

During the reporting period, no breaches of risk limits were observed in the overall risk profile, which was evaluated at a medium-low level for a medium risk appetite.

<i>Types of Risk</i>	<i>Assumed risk level</i>	<i>Evaluated risk level</i>
<i>Market Risk</i>	Medium	Medium – Low
<i>Liquidity Risk</i>	Medium	Low
<i>Credit Risk</i>	Medium	Low
<i>Operational Risk</i>	Medium	Medium – Low
<i>Sustainability Risk</i>	Medium	Low
<i>Overall Risk Profile</i>	Medium	Medium - Low

Risk avoidance and mitigation are ensured by the Company through an investment policy that complies with the prudential rules imposed by the applicable legal provisions and current regulations.

Through effective risk management—both via pre-investment screening and ex-post monitoring—the Company ensures that portfolio management remains within the appropriate risk parameters.

#### **Internal Mechanisms Ensuring Exposure Limits Monitoring**

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



### Periodic Monitoring and Reporting

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

### Pre-Investment Due Diligence

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

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

As of December 31, 2024, the largest individual holding is at Banca Transilvania, accounting for 24.71% of the total assets, followed by SIF Imobiliare PLC (a 8.82% weight in TA). These holdings jointly represent an exposure of 35.33% of TA without exceeding the upper limit of 80%.

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

### Leverage

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

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

As of December 31, 2024, the gross leverage ratio stood at 86.53%. Deposits with maturities of less than three months that were remunerated at an interest rate exceeding that of a three-month government bond were excluded from total exposure, in accordance with Article 7(a) of EU Regulation 231/2013. Under the commitment method, the leverage ratio was 100%.

### Sustainability Risk

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

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

The ESG risk evaluation model for the portfolio has been extended to exposures exceeding RON 10m, representing 19 equity issuers with a total weight of approximately 80% of total assets under management. Among these issuers, 4 have received an ESG score from Sustainalytics and 9 have published Sustainability Reports. The ESG risk rating for the equity portfolio indicates a low risk.

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

### Crisis Simulations

The Risk Management Office carried out a crisis simulation in December 2024 – January 2025, the methodology of which was approved by the Board of Directors on September 30, 2023, with the reference date being November 30, 2024.

The methodology for conducting the stress test was based on calibrating stress factors by analysing the impact of risk factors on the total value of managed assets and on the P&L under two scenarios: historical and hypothetical.

- **Historical Scenario:** The international financial crisis of 2007–2009 – During this period, governments and central banks in the United States and other developed countries took unprecedented measures to curb the panic in financial markets, including massive liquidity injections to prevent inflation.
- **Hypothetical Scenario:** The future evolution of Romania's economy – Significant uncertainties and risks arise from the prospective conduct of fiscal and revenue policies, considering the fiscal-budgetary measures that could be implemented from 2025 onward to strengthen the budget. Labor market conditions and the dynamics of wage growth in the economy also remain sources of uncertainty and risk.

The investment risk analysed under the aforementioned crisis scenarios indicates that the investment risk tolerance limit, set at 20% of total assets for a medium risk appetite, is in line with the nature of the financial instruments portfolio.

The liquidity stress test was performed by combining various shocks, analysing their impact on assets, and assessing the response of liquidity management to these shocks on the market and investors. Simulations were conducted for both asset and liability liquidity.

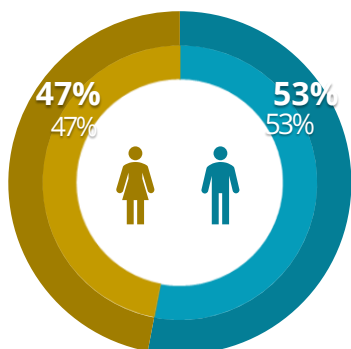
The liquidity crisis simulation on the liabilities side includes scenarios related to known payment obligations (historical scenarios) as well as the identification of other potential sources of liquidity risk (hypothetical scenarios).

Regarding liquidity risk, assets that generate immediate liquidity can cover the increase in liquidity requirements without the need to liquidate other assets.

## Human resources

Lion Capital's personnel, as of December 31, 2024, consists of 30 persons with an employment contract (47% women, 53% men), of which 20 at headquarters in Arad and 10 at Bucharest branch.

### Gender distribution of Lion Capital personnel



*the percentages in the graph represent the weight of each category on December 31, 2024 (the outer ring), respectively December 31, 2023 (the inner ring)*

To achieve its strategic objectives, Lion Capital relies on a team of highly specialized professionals with diverse expertise in the investment sector, supported by dedicated personnel managing operational and administrative functions. The organizational structure is meticulously designed to ensure an optimal allocation of human resources, thereby enhancing operational efficiency through a balanced distribution of competencies and responsibilities. The diversity in gender, age, and educational background among employees fosters a multidisciplinary approach to decision-making, stimulating innovation and managerial efficiency. The professionalism and expertise of the teams are critical factors in ensuring compliance with industry-specific regulations while driving optimal organizational performance.

**Workplace Safety and Health.** Lion Capital upholds an unwavering commitment to employee safety and well-being, implementing a rigorous framework of proactive measures to mitigate occupational risks. The company's safety policies adhere to the highest industry standards, incorporating strict protection protocols, regular training sessions, and dedicated resources for the continuous improvement of working conditions. Personnel responsible for workplace safety and health benefit from ongoing professional development, acquiring advanced competencies in hazard identification, risk assessment, and preventive measures implementation. These initiatives reflect the organization's deep-seated commitment to employee welfare, as evidenced by its outstanding track record of zero workplace accidents.

Recognizing the direct correlation between health and productivity, Lion Capital integrates comprehensive well-being initiatives into its human resources strategy to promote work-life balance. By providing preventive healthcare services that complement the public health system, the organization not only demonstrates its dedication to employee well-being but also fosters a corporate culture centred on prevention and individual responsibility.

Investing in employee health yields substantial benefits at both individual and organizational levels, reducing absenteeism, enhancing motivation, and cultivating a high-performance work environment. Through these efforts, Lion Capital not only strengthens its reputation as a responsible employer but also reinforces its standing in the industry by championing a sustainable approach to human capital management.

**Professional Development.** To maximize the capabilities of its teams, Lion Capital places significant emphasis on continuous professional development, tailoring training programs to the specific needs of each function while aligning them with the evolving regulatory landscape of the investment sector. The company implements professional development initiatives designed to meet both internal requirements and legislative developments, ensuring a consistently high level of expertise and regulatory compliance.

These programs include specialized training sessions for key personnel, in line with the regulatory mandates established by the Financial Supervisory Authority regarding continuous professional education. In 2024, employees, board members, and executives collectively completed 1,106 hours of

training, with 83% of staff participating in at least one form of professional development, such as seminars, conferences, or other advanced learning opportunities.

**Employment Relations.** Labour relations within the company are governed by individual employment contracts and the collective labour agreement. Until October 24, 2024, the collective labour agreement registered with the Arad Labor Inspectorate (ITM) under no. 2019/17.08.2022 remained in effect. Following this date, a newly negotiated collective agreement, registered under no. 2450/25.10.2024 with the Arad Labor Inspectorate, now regulates employment relations for a two-year period.

Employees are represented in collective labour agreement negotiations by elected representatives in accordance with legal provisions, as they are not organized under a trade union. In May 2024, elections were held to appoint employee representatives for a two-year term, resulting in three individuals being mandated to advocate on behalf of their colleagues. The relationship between management and employees has remained free of conflicts, demonstrating a constructive and stable work environment.

**Employee Performance Evaluation.** Individual performance assessment is a cornerstone of the organization's human capital strategy, conducted annually to ensure fair recognition of contributions and to facilitate continuous professional growth. The evaluation process aims to identify strengths and areas for improvement, providing an optimal framework for skill enhancement.

By delivering clear and constructive feedback, performance evaluations support employees' professional advancement while fostering a corporate culture built on excellence and achievement. Recognizing individual strengths enables the organization to acknowledge merit, while addressing developmental areas creates concrete opportunities for growth. Additionally, this process enhances organizational efficiency by aligning strategic objectives with employee performance, thereby optimizing overall productivity.

Performance evaluation generates significant benefits for both employees and the organization. By ensuring transparent and objective feedback, identifying development opportunities, and refining operational activities, the process fortifies a corporate culture centred on performance and continuous progress.

**Diversity Policy.** Lion Capital's diversity policy is firmly rooted in the principles of equity and inclusion, recognizing these elements as fundamental to sustainable corporate development. By fostering a work environment grounded in mutual respect, collaboration, and high performance, the company ensures equal opportunities for all employees, regardless of gender, ethnicity, age, or other personal traits. This approach aligns with Environmental, Social, and Governance (ESG) criteria, with a strong emphasis on social responsibility.

The company prioritizes the evaluation of candidates and employees based on their skills, abilities, and experience, ensuring an equitable selection and career development process. This practice not only reflects a solid business ethic but also underscores Lion Capital's commitment to inclusion and diversity.

To this end, the company cultivates a workplace free of discrimination, promoting equal opportunities for professional and personal development within a framework that encourages mutual respect and collaboration. Leveraging diversity enhances decision-making, fosters innovation, and strengthens interpersonal relationships, transforming individual differences into a competitive advantage.

By adopting an ethical and proactive stance on diversity, Lion Capital reaffirms its dedication to an inclusive corporate culture that supports the development of every employee. This approach not only fuels creativity and innovation but also enhances the organization's adaptability and long-term competitiveness. Upholding and promoting diversity solidifies Lion Capital's reputation as a responsible and forward-thinking employer, with positive implications for both its performance and sustainability.

## Tangible Assets of the Company

Lion Capital owns the premises for the conduct of operational and administrative activities of the company located in Arad (headquarters). The company also owns real-estate properties in Bucharest. Moreover, following the withdrawal of the contribution in kind to the share capital of the company Azuga Turism, Lion Capital owns a land located in the town of Bușteni. The above-mentioned buildings (except for the

headquarters located in Arad, included in the tangible assets) are accounted pursuant to IFRS as investment property at fair value, totalling RON 11,913,467 as of December 31, 2024.

As of December 31, 2024, the net book value (accounting value) of tangible assets in the construction category is of RON 3,687,728. The company carried out the most recent revaluation of tangible assets on December 31, 2024, in view of harmonizing the accounting and the utility values of the tangible assets owned.

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

## Litigations

As documented in the Legal Department records as of December 31, 2024, the Company was involved in 49 litigations pending before the Court. The company had locus standi (active procedural capacity) in 38 litigations, passive procedural capacity in nine litigations, and intervener capacity in two litigations.

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

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

## Outlook for 2025

### Risk Elements and Influencing Factors for 2025

#### Global Level:

- The persistence of inflation and the corresponding tightening of monetary policy by central banks.
- Geopolitical tensions and supply chain uncertainties.
- The effects of climate change on various economic sectors.

#### European Level:

- Risks of economic stagnation in certain member states and regional imbalances.
- Volatility in energy prices driven by geopolitical events.
- Potential adverse impacts of the ECB's restrictive policies on economic growth.

#### Domestic Level (Romania):

- Vulnerability to external shocks and the transmission of European economic effects.
- Risks related to implementing structural reforms and adapting to new economic conditions.
- Inflationary pressures affecting purchasing power and investment.

The **WEF Global Risks Report 2025** provides an in-depth analysis of global risks pertinent to both the worldwide and European economic contexts:

- **Escalating Geopolitical Tensions:** Ongoing conflicts in Ukraine, the Middle East, and Sudan are disrupting financial markets and global trade, with significant repercussions for both European and Romanian economies.
- **Inflation and Economic Risks:** While inflation is no longer the dominant global concern, the risks of recession and geo-economic confrontations continue to pose significant challenges.
- **Societal Polarization and Misinformation:** These factors are increasingly influencing the business environment and undermining economic stability across various regions.
- **Climate Change and Economic Impact:** The growing incidence of extreme weather events, environmental pollution, and resource depletion is affecting supply chains and production costs.

Macroeconomic forecasts for Romania suggest a modest recovery in economic activity in 2025. Building on a real GDP growth of approximately 1.4% in 2024, the recovery is expected to accelerate in 2025, reaching an estimated growth rate of around 2.5%. This improvement is largely driven by a rebound in external demand, enhanced financial conditions, and the resilience of private consumption and investment.

In February this year, the National Bank of Romania revised its inflation forecast for the end of 2025 upward from 3.5% to 3.8%, citing unanticipated price increases in key components of the consumer basket and a less favourable evolution of core inflation. This adjustment reflects a stabilization in energy prices, a moderation in wage increases, and a gradual easing of underlying pressures, although some persistent strains may remain amid rising disposable incomes.

Romania's labour market is projected to remain relatively stable, with an estimated unemployment rate of approximately 5.5% in 2025. Labor market tensions are expected to ease modestly, and while moderate wage growth continues to support purchasing power, it is anticipated to temper as inflation subsides. These dynamics contribute to overall economic stability, even as medium-term developments warrant careful monitoring.

On the external front, Romania is forecast to continue experiencing a current account deficit, projected at approximately –7.6% of GDP in 2025, compared to –8.3% in 2024. This outcome reflects both a recovery in exports and a moderation of imports, alongside a significant impact from robust domestic demand that fuels both consumption and related imports.

In addition to the positive prospects associated with economic recovery, the **European Commission's Economic Forecast for Romania** (published in November 2024) underscores several risks:

- **External Uncertainties:** A gradual recovery in external demand may be disrupted by geopolitical developments and shifting international economic conditions.
- **Fiscal Challenges:** Persistently high deficits and a rising public debt could undermine macroeconomic stability, potentially necessitating stringent fiscal consolidation measures.
- **Labor Market Pressures:** Although unemployment remains relatively low, the dynamics of wage growth and the pressures for further increases must be carefully monitored to prevent additional inflationary pressures.

According to the report, the Romanian economy is expected to achieve a moderate recovery in 2025, with GDP growth of approximately 2.5% and a reduction in inflation to around 3.9%. Stability in the labour market and robust consumer spending are anticipated to underpin this growth. Nonetheless, the challenges posed by a persistently high budget deficit, rising public debt, and external sector imbalances necessitate prudent economic management. In summary, while there are promising signs of economic recovery, significant structural and external risks call for cautious and balanced policy measures.

Sources of information for 2005 outlook:

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

## 2. THE SHARES ISSUED BY LION CAPITAL

### CHARACTERISTICS OF SHARES ISSUED BY LION CAPITAL

Total number of shares issued (December 31, 2024)	<b>507,510,056</b>
Outstanding shares (December 31, 2024)	<b>505,020,056</b>
Nominal Value	<b>RON 0.1000 / share</b>
Type of Shares	<b>common, ordinary, registered, dematerialized, indivisible</b>
CFI Code	<b>ESVUFR</b>
Trading Market	<b>Regulated spot market of Bucharest Stock Exchange (BVB or BSE), Premium category, listed since November 1, 1999</b>
Trading Venue (MIC)	<b>XBSE</b>
Market Symbol on Bucharest Stock Exchange	<b>LION</b> (before May 15, 2023, symbol SIF1)
ISIN Code	<b>ROSIFAACNOR2</b>
International Identifier	<b>FIGI ID: BBG000BMN2P1</b>
Indices including LION shares	<b>BVB Indices: BET-FI • BET-XT • BET-XT-TR • BET-BK • BET-XT-TRN</b>

Shares issued by the Company grant all shareholders equal rights.

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

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

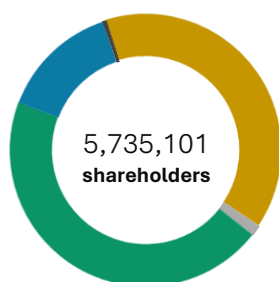
Romanian legislation provides certain restrictions on the acquisition of shares issued by the Company, as follows:

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

As of December 31, 2024, Lion Capital had a total of 5,735,101 shareholders, according to data reported by Depozitarul Central S.A. Bucharest, the entity responsible for maintaining the shareholder registry. The 990,000 treasury shares held at the end of 2023 were transferred on March 14, 2024, to the beneficiaries of the Stock Option Plan. Further details regarding the completion of the Stock Option Plan were disclosed in the current report issued on March 15, 2024. Following acquisitions carried out under the public tender offer conducted between September 25 and October 8, 2024, the company held, as of December 31, 2024, a total of 2,490,000 treasury shares, representing 0.4906% of the share capital. Additional details can be found in *Chapter 5 – Other Significant Information* of this report.

**SHAREHOLDERS STRUCTURE**

as per holdings as of December 31, 2024



■ **39.10%**  
Romanian individuals  
(5,732,824 shareholders)

■ **45.09%**  
Romanian legal entities  
(102 shareholders)

■ **1.30%**  
non-resident individuals  
(2,160 shareholders)

■ **14.02%**  
non-resident legal entities  
(14 shareholders)

■ **0.49%**  
Lion Capital treasury shares

**Dividend Policy**

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

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

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

The Ordinary General Meeting of Shareholders held on April 29, 2024, approved the allocation of the net profit for the financial year 2023, amounting to RON 417.255.132, to Other reserves, as own funding sources, without distributing dividends.

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

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

Financial Year for Which the Distribution Was Made	2020*	2021	2022*	2023*
Net Profit (RONm)	92.12	387	95.47	417.26
Total Number of Shares	515,422,363	515,422,363	507,510,056	507,510,056
Gross DPS (RON)	*	0.06	*	*
Gross Dividend Payable (RONm)		30.45		
Net Dividend Payable (RONm)		29.24		
Paid Dividends **		66.43%		

\* FY with no dividend distribution as per GMS decisions of April 26, 2021, April 27, 2023, and April 29, 2024

\*\* percentage of amounts paid as of December 31, 2024, of total net dividend payable



LION (SIF1) STOCK ON BVB/BSE	2021	2022	2023	2024
Price (RON, closing price)				
Low	2.1700	2.1000	2.3400	2.5000
High	2.8300	2.5600	2.6800	2.9900
Year end	2.5400	2.4300	2.5900	2.8500
Net Profit per Share (RON)	0.754	0.1881	0.8222	0.3192
PER	3.36	12.92	3.15	8.93
NAV/S (RON)	6.7170	6.3817	8.0847	9.0838
Dividend (RON/share)	0.06	-	-	*
Market Capitalization** (RONm)	1,309.17	1.233.25	1.314.45	1.446.40

\* as per the decision of GMS of April 2025

\*\* calculated using the closing price of the last trading session of the year for all issued shares

### Bucharest Stock Exchange (BVB) indices including LION stock:

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

**BET-FI** (BUCHAREST EXCHANGE TRADING – INVESTMENT FUNDS) is the first sectoral index of the BVB and reflects the overall trend of prices of financial investment funds (formerly SIFs and Fondul Proprietatea) traded on the regulated market of the BVB. The variation of the BET-FI index in 2024: +4.63%. Weight of LION in BET-FI: 20.91% (December 2024).

**BET-BK** (BUCHAREST EXCHANGE TRADING BENCHMARK INDEX) is a price index weighted by the free-float capitalization of the most liquid companies listed on the regulated market of the BVB, which can be used as a benchmark by fund managers, as well as other institutional investors, with the calculation methodology reflecting legal requirements and investment limits of the funds. The variation of the BET-BK index in 2024: +9.53%. Weight of LION in BET-BK: 1.73% (December 2024).

**BET-XT** (BUCHAREST EXCHANGE TRADING EXTENDED INDEX) is a blue-chip index and reflects the evolution of prices of the most liquid 25 companies traded on the regulated market segment, including SIFs, with the maximum weight of a symbol in the index being 15%. The variation of the BET-XT index in 2024: +10.02%. Weight of LION in BET-XT: 2.11% (December 2024).

**BET-XT-TR** (BUCHAREST EXCHANGE TRADING EXTENDED TOTAL RETURN) is the total return version of the BET-XT index, reflecting both the evolution of prices of the component companies and the dividends offered by them. The variation of the BET-XT-TR index in 2024: +16.81%. Weight of LION in BET-XT-TR: 2.11% (December 2024).

**BET-XT-TRN** (BUCHAREST EXCHANGE TRADING EXTENDED NET TOTAL RETURN) is the net total return version of the BET-XT index. The BET-XT-TRN index reflects both the evolution of prices of the component companies and the reinvestment of net dividends offered by them. The variation of the BET-XT-TRN index in 2024: +16.22%. Weight of LION in BET-XT-TRN: 2.11% (December 2024).

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

The liquidity of Lion Capital stock decreased on the regular market in the last quarter of 2024, and for the whole year, it was much lower compared to 2023. In 2024, a total of 7,573,262 shares were traded, representing 1.5% of the total issued shares, with the total value of the traded shares being of RON 20,772,955 (vs. RON 10,869,868 in 2023). On the DEAL and POF markets, transactions were conducted with 32,980,893 shares, with a total value of RON 87,619,227.

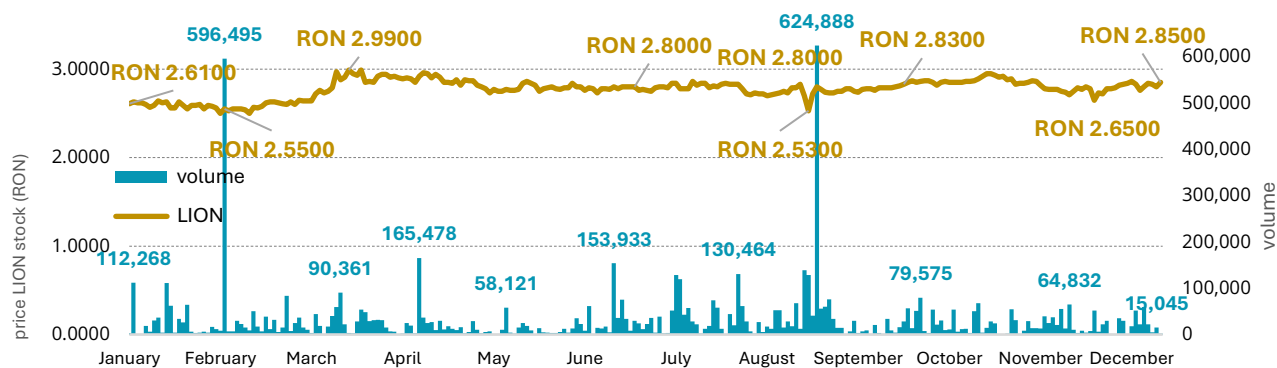
Out of the 250 trading days in 2024, 104 days had positive variations (maximum +7.51% on August 29), and 101 days had negative variations (minimum -6.30% on August 28).

The highest closing price at which the LION stock was traded in 2024 was of RON 2.9900 per share, in the session of March 22, and the lowest closing price was of RON 2.5000 per share, in the session of February 14, with the trading range between the highest and the lowest of the period being 19.6%. The weighted average price for the period was of RON 2.7429 per share.

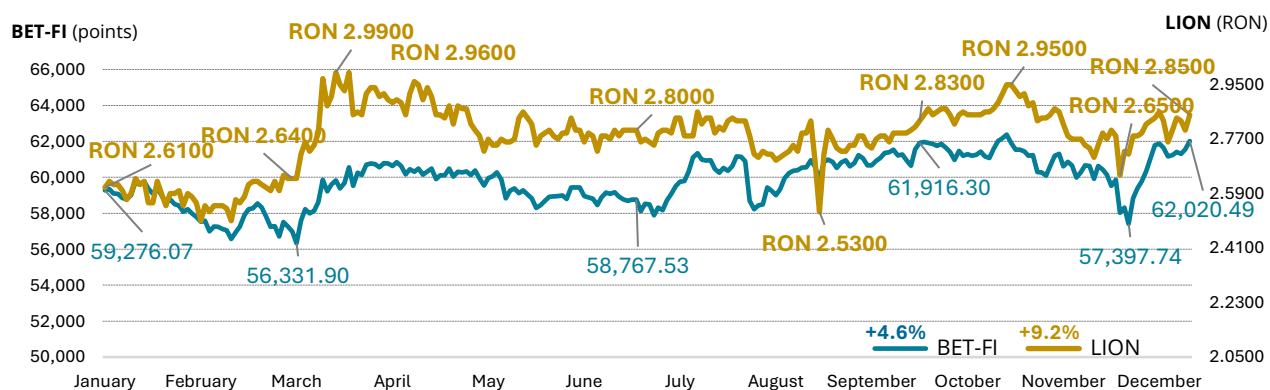
LION stock price rose +9.19% YtD, while the BET-BK index increased by +9.53% and the BET-FI index by 4.63% in 2024.

As of December 31, 2024, the market capitalization for LION stock was of RON 1,446.403m (for all shares in issue) and calculated for the outstanding shares it was of RON 1,439.37m (calculated using the closing price from the last trading session of the year).

### LION PRICE AND VOLUME IN 2024



### LION vs. BET-FI IN 2024



### 3. CORPORATE GOVERNANCE

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

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

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

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

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

The level of implementation as of December 31, 2024, of the principles and recommendations from the Code is presented in Annex 3 to this report, a document that will be published on the Company's website, [www.lion-capital.ro](http://www.lion-capital.ro).

Through Regulation no. 2/2016, with subsequent amendments and completions, the Financial Supervisory Authority (ASF) regulated the unified normative framework for the application of corporate governance principles to entities authorized, regulated, and supervised by ASF, a regulation that applies starting from January 1, 2017. Lion Capital's statement on the application of corporate governance principles in 2024 is presented in Annex 4 to this report.

#### The General Meeting of Shareholders (GMS)

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

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

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

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

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

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

## Management Structure

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

### The Board of Directors

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

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

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

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

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

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

On September 23, 2024, the company registered the resignation of Mr. Radu-Răzvan Străuț from all positions he held within Lion Capital S.A., effective as of September 30, 2024. From this date of September 30, 2024, Mr. Radu-Răzvan Străuț's mandate as a member of the board of directors and implicitly his position as Vice-Chairman and Deputy CEO will terminate ipso jure.

The OGM of October 31, 2024, approved the election of the company's Board of Directors members for a four-year term, from April 26, 2025, to April 26, 2029, with the stipulation that those elected as members of the Board of Directors will exercise their duties only after the Financial Supervisory Authority issues an authorisation/approval decision, in accordance with applicable legal provisions, namely the following:

1. Drăgoi, Bogdan-Alexandru, Romanian citizen, having the identification data available at the company, with the votes "for" of the shareholders representing 79.79%% of the votes cast;
2. El Lakis, Rachid, Romanian citizen, having the identification data available at the company, with the votes "for" of the shareholders representing 99.12% of the votes cast;
3. Pfister, Marcel Heinz, Swiss citizen, having the identification data available at the company, with the votes "for" of the shareholders representing 79.88% of the votes cast;
4. Marica, Sorin, Romanian citizen, having the identification data available at the company, with the votes "for" of the shareholders representing 79.79% of the votes cast.

At its meeting on November 28, 2024, the Board of Directors of Lion Capital approved the appointment of Mr Rachid El Lakis as Interim Director and Vice-Chairman of the Board of Directors of Lion Capital S.A., and Mr El Lakis' mandate is to be effective only after receiving the authorization from the Financial Supervisory Authority for this position.

As of December 31, 2024, the structure of the Board of Directors and the professional qualifications of its members are as follows:

**Bogdan-Alexandru DRĂGOI**, Chairman of the Board of Directors

Date of first election: March 3, 2015

Graduate of Tufts University, Fletcher, Boston, Massachusetts, USA, with specializations in *International Relations* and *Economics*

**Sorin MARICA**, non-executive administrator, member of the Audit Committee, Chairman of Nomination and Remuneration Committee

Date of first election: April 20, 2017

Graduate of the Faculty of Finance, Banks and Stock Exchanges within the Academy of Economic Studies, Bucharest

**Marcel Heinz PFISTER**, independent, non-executive administrator, Chairman of the Audit Committee, Member of Nomination and Remuneration Committee;

Date of first election: April 20, 2017

Bachelor of Economics (ODEC) at the College of Higher Vocational Education and Training in Business Administration, Zurich, Switzerland

**Ionel-Marian CIUCIOI**, non-executive administrator, Member of the Audit Committee, Member of Nomination and Remuneration

Date of first election: April 26, 2018 (after previously, on July 14, 2015, he was appointed provisional administrator by the Board of Directors - ASF approval on September 16, 2015)

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

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

The Board of Directors is supported in its activity by a Secretary of the Board, who has the necessary experience and professional training, participates in the meetings of the Board and is responsible for ensuring the efficient functioning of the Board and the Committees operating within it. Secretary's role consists in supporting the Chairman and the other members of the Board of Directors, both at group level and individually, and in ensuring compliance by the Board of Directors with internal regulations, ensuring compliance with corporate governance regulations, as well as with laws and regulations relevant to the Company's activity. The secretary is also responsible for ensuring effective communication between the Board and the Audit Committee, respectively the Nomination and Remuneration Committee, between the directors and the Board. In 2024, the position of secretary of the board of directors was held by Mr. Daniel Gavrilă.

**Activity of the Board of Directors:**

The company was under the management of a Board of Directors composed of 5 members between January 1, 2024, and September 30, 2024.

The composition of the Board of Directors was as follows:

- Bogdan-Alexandru Drăgoi – Chairman of the Board
- Radu Razvan Străuț – Vice-Chairman of the Board
- Sorin Marica – non-executive administrator
- Marcel Heinz Pfister – non-executive administrator
- Ionel-Marian Ciucioi – non-executive administrator

The company was under the management of a Board of Directors composed of 4 members between October 1, 2024, and December 31, 2024.

The composition of the Board of Directors was as follows:

- Bogdan-Alexandru Drăgoi – Chairman of the Board
- Sorin Marica – non-executive administrator
- Marcel Heinz Pfister – non-executive administrator
- Ionel-Marian Ciucioi – non-executive administrator

In 2024, the Board of Directors of Lion Capital met 39 times, in accordance with the statutory provisions.

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

The presence of the members of the Board of Directors at the meetings convened during 2024 was in accordance with the legal provisions.

The meetings of the Board of Directors were chaired by Mr. Bogdan-Alexandru Drăgoi, the Chairman of the Board of Directors.

As a result of the meetings of the Board of Directors, a number of 116 management decisions regarding the company's current activity were issued. All decisions were taken with the “for” vote of the majority of those present.

Of the 116 Decisions of the Board of Directors issued during the analysed period:

- 72 were decisions with a well-defined objective of the necessity of fulfilment;
- 44 were decisions approving procedures, mandatory reports and activity reports, of which:
  - 14 decisions approving internal regulations and some work procedures;
  - 30 decisions for the approval of the mandatory annual, half-yearly and quarterly periodic reports sent to the ASF, BVB, MFP and for the approval of the activity reports of the administrators, departments, directions and compartments.

From the analysis of how the 116 decisions taken by the Board of Directors were fulfilled, it follows that they have been fully implemented or are in the process of being implemented.

## **Advisory Committees Within the Board of Directors**

### **The Audit Committee**

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

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

In 2024, the Audit Committee had the following composition: Mr. Marcel PFISTER - Chairman of the committee, Mr. Sorin MARICA - member, and Mr. Ionel Marian CIUCIOI - member.

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

In 2024, the Audit Committee met nine times. These meetings were dedicated to monitoring the financial reporting process, viz. the annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) approved by ASF Norm no. 39/2015, and the consolidated financial statements; monitoring the condensed quarterly and half-yearly standalone interim financial statements; monitoring the half-yearly condensed consolidated interim financial statements for 1H 2024; preparing the activity report of the Audit Committee for the year 2023; analysing and approving the assessment of the internal control system; the control program of the Compliance Office for 2024, risk management department activity plan for 2024; monitoring the internal auditor's activity.

The report on the Audit Committee's activity in 2023, accompanied by the Evaluation of the risk management and internal control system for 2023, was submitted to the Financial Supervisory Authority on June 28, 2024, complying with the regulated content, and filing deadline requirements.

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee (NRC) assists the board of directors in fulfilling its responsibilities regarding the nomination of candidates for leadership positions, their evaluation, and the

formulation of proposals regarding remuneration. Additionally, NRC recommends to the Board of Directors the appointment or dismissal of key personnel and control staff within the Company, their remuneration levels, rights, and duties, and also participates in the development and revision of remuneration policies applicable at the Company level. The duties of NRC are detailed within the Company's Internal Regulations and are also presented in the Company's Corporate Governance Regulation, available for consultation on the website, [www.lion-capital.ro](http://www.lion-capital.ro), in the *Corporate Governance* section.

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

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

During the year 2024, the Nomination and Remuneration Committee convened fourteen times, with meetings primarily focused on the following topics: the periodic assessment of the suitability of the management structure members and key function holders; the preliminary assessment of the individual appointed as director prior to submission for approval by the Financial Supervisory Authority; the evaluation of the proposed candidate for the key position of Compliance Officer; the preliminary assessment of the individual appointed as interim board member before submission for approval by the Financial Supervisory Authority; the collective suitability assessment of the management structure - Board of Directors; the review of remuneration for Board members, executives, and committee members within the Board, with proposals submitted to the General Meeting of Shareholders; the analysis and recommendation regarding the initiation of an equity-based compensation plan; verification of conditions for the transfer of shares under the stock-based payment program approved in 2023; the performance evaluation of the executive management for 2024; and the review and recommendation for awarding variable compensation to employees and executives based on the achievement of 2024 objectives.

The Activity Report of the Nomination and Remuneration Committee for the year 2024 is presented in Annex 5 to this report.

## Executive Management

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

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

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

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

The composition of the executive management as of December 31, 2024:

**Bogdan-Alexandru DRĂGOI**, Chief Executive Officer (since July 14, 2015)

**Florin-Daniel GAVRILĂ**, Director (appointed by the Board of Directors on November 15, 2023, authorized by ASF on March 22, 2024, Bachelor of Economics at the Faculty of Economics and Business Administration of the University of Craiova  
Bachelor of Economics

**Laurențiu RIVIȘ**, Director (appointed by the Board to the executive management of the company on November 27, 2015, receiving on February 27, 2016, the ASF approval as director of SIF Banat-Crișana), an

re-authorized on December 29, 2023, graduate of the Faculty of Law of the Western University “Vasile Goldiș” Arad, Romania.

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

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

Name	Position	LION shares held as of December 31, 2024	
		No. of shares	% of share capital
Bogdan-Alexandru DRĂGOI	Chairman – CEO	2,665,133	0.5251%
Sorin MARICA	Non-executive administrator	-	-
Marcel PFISTER	Non-executive administrator	48,309	0.0095%
Ionel-Marian CIUCIOI	Non-executive administrator	48,309	0.0095%
Florin-Daniel GAVRILĂ	Director	10,000	0.0019%
Laurențiu RIVIȘ	Director	55,848	0.0110%

Pursuant to the provisions of Article II of ASF Regulation no. 20/2021, under which regulated entities were required to submit to the Financial Supervisory Authority (ASF) the documentation provided for in Article 30(1) of the ASF Regulation no. 1/2019 - necessary for verifying compliance with the individual suitability requirements for persons appointed to executive management prior to 1 January 2016 - ASF issued Authorization no. 163/29.12.2023, thereby authorizing Mr Laurențiu Riviș as director of Lion Capital S.A., for a term valid until February 24, 2026.

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

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

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

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

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

### Risk Management

Lion Capital implements its Significant Risk Management Policy and Standard Operating Procedures for the identification, assessment, measurement, and control of risks - documents approved by the Company's Board of Directors.

The Board approves the Fund's risk appetite and risk tolerance limits and, together with the Executive Management, ensures their enforcement throughout Lion Capital by employing appropriate techniques, instruments, and mechanisms.



The efficacy of Lion Capital's risk management framework is evaluated by the Board at least semi-annually based on risk reports and in accordance with established policies, procedures, and controls.

**The dedicated Risk Management function** plays a pivotal role in defining the risk policy, as well as in monitoring and measuring risks, thereby ensuring that the level of risk remains aligned with the Fund's risk profile as adopted by the Board. The individual responsible for risk management has access to all relevant information and provides senior management with up-to-date data to facilitate prompt remedial actions when necessary. Ms. Adina Eleonora Hodăjeu has been holding the position of Risk Management Officer since March 9, 2018 (ASF register number: PFR13.2FARA/020053).

The performance of the risk management function is periodically audited by both internal and external audit teams.

The Company's governance structure, through the Board of Directors and the Audit Committee, periodically approves and reviews both the risk strategy and the Significant Risk Management Policy.

The Significant Risk Management **Strategy** is underpinned by risk management objectives and focuses on three key parameters: risk appetite, risk profile, and risk tolerance. Lion Capital's Board of Directors has adopted a **medium risk appetite**.

This objective reflects the understanding that, under adverse economic conditions, the Fund will objectively accept a higher level of risk stemming from its existing portfolio exposures while taking all necessary measures to reduce the risk appetite for future exposures.

For 2024, the Risk Management department's **objective** is to proactively manage risks by:

- Identifying prospective risk-generating events related to the administration of Lion Capital's portfolio, as well as the secondary risks arising therefrom, in order to enhance responsiveness to events beyond the Company's control;
- Proactively managing risk through continuous monitoring of risk systems and processes;
- Conducting periodic risk reviews to update the current risk profile and identify new risks affecting the Company;
- Regularly testing and remedying vulnerabilities to eliminate corresponding threats;
- Implementing specific legal and regulatory requirements (both local and EU directives/regulations) pertinent to the AFIA/AIF activities, and adapting operational procedures to new regulatory standards.

The Action Plan to ensure the continuity of risk management operations for 2024 was approved by the Board of Directors in January 2024.

## Risk Profile and Risk Limits

The risk appetite indicates the level of risk the Fund is willing to assume, encompassing two components: (i) the risk associated with existing exposures and (ii) the risk associated with future exposures.

In August 2024, the Board approved maintaining a **medium risk appetite** for the next 12 months.

## Risk Limits and Overall Risk Profile

The Risk Management Policy is underpinned by a system of limits used for monitoring and controlling significant risks, in line with the approved risk profile and investment strategy. At the Fund's portfolio level, risk limits encompass market risk, liquidity risk, credit and counterparty risk, as well as operational and other types of risk - all evaluated through the risk profile.

**The risk profile** is assessed quarterly in periodic risk reports and monitored against predetermined risk level objectives. Depending on the evolution of the risk profile relative to these objectives, as well as the duration of any deviation (e.g., the period during which risk exceeds a certain level), the Company may implement corrective measures or controls over risk factors. The risk profile captures the cumulative impact of the entire portfolio of risks.

In August 2024, the Board of Directors approved maintaining the Company's **overall risk classification at a MEDIUM level** for the next 12 months (until the next annual evaluation), provided that periodic monitoring does not indicate a need for adjustments.

## Compliance Verification Function

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

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

The Compliance Office's activities were carried out in accordance with the provisions of the 2024 Investigation and Control Plan approved by the company's Board of Directors, ASF Regulations no. 10/2015, no. 9/2014, EU Regulation 231/2013, operational procedures, and internal regulations.

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

As part of the compliance monitoring and verification activities carried out in 2024, the adherence to work procedures and the specific capital market legislation was assessed in relation to the following activities:

- Compliance with national and European regulations on the protection of individuals regarding the processing of personal data;
- Trading of financial instruments;
- Asset valuation for net asset calculation;
- Compliance with legal transparency and reporting requirements;
- Calculation and payment of the monthly 0.0078% fee from the net asset value to the ASF;
- Prevention and combating of money laundering and terrorist financing through the capital market;
- Compliance with the international sanctions regime;
- Compliance with legal provisions and internal procedures regarding the avoidance and/or management of conflicts of interest, the handling of privileged information, and personal transactions;
- Checks related to the risk control system;
- Assessment and management of operational risks generated by the IT systems used.

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

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

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

**Activity in 2025** In 2025, the compliance office's activities will be carried out in accordance with the Activity and Control Plan for 2025, as well as internal procedures and regulations. The objectives of the compliance verification activities will focus on enhancing operations through strict adherence to capital market regulations (including European directives and regulations), by adapting work procedures to the new legal requirements issued in connection with investment fund management.

## Internal Audit

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

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

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

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

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

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

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

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

### **Main activities and operations subject to internal audit during 2024:**

- Compliance with the provisions of the collective labour agreement; human resource management; payroll administration.
- Securities trading, adherence to the short-term investment policy, and compliance with approved operational procedures.
- Compliance with the procedure for implementing the legal provisions at Lion Capital to prevent and combat money laundering and terrorist financing.
- Adherence to the procedure on conflicts of interest, specifically those involving Lion Capital's management and certain categories of employees.
- Compliance with working procedures, internal regulations, and the significant risk management policy of Lion Capital.
- Adherence to operational procedures related to building maintenance and facility management.
- Compliance with the working procedures, internal regulations, and specific legislation applicable to the compliance department.
- Management of the portfolio of money market instruments and investments in municipal and corporate bonds, including the substantiation of investment/divestment decisions and adherence to approved competence limits.

Non-audit activities performed include:

- preparation of the annual internal audit program for the upcoming period;
- annual reporting of internal audit activity;
- evaluation report of the internal control system in 2023;
- other administrative activities.

The internal auditor reports to the Audit Committee and the Board of Directors of Lion Capital on the purpose of the audit activity, its results, findings, recommendations, and proposals.

Internal audit appreciates that the activities and operations carried out by Lion Capital during 2024, which were subject to audit, comply with the company's policies, programs, and management, in accordance with legal provisions and internal regulations.

No significant situations requiring Board intervention were identified.

### Objectives for 2025

The internal audit aims to:

- support the company in identifying and assessing significant risks to provide an independent evaluation of risk management, control, and governance processes;
- assist the company in maintaining an effective and efficient control system.

To align with the overall audit objectives, the internal auditor has planned its 2025 activities to ensure audit coverage of the company's key structures and operations.

The primary objective is the timely completion of audit engagements approved by the Board of Directors under the 2025 audit plan, ensuring management oversight of operations conducted within Lion Capital.

## Other Matters of Corporate Governance

### Upholding Shareholders' Rights

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

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

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

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

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

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

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

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

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

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

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

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

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

During the year 2024, the Board of Directors of Lion Capital convened OGMs for April 29 (30), 2024, and October 31 (November 1), 2024, and EGMs for April 29 (30), 2024, and October 31 (November 1), 2024.

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

For the general meetings of shareholders held on October 31, 2024, the suspension of the exercise of the voting right was made pursuant to art. 105 par. (2) of Law no. 31/1990, for the treasury shares, acquired in the public tender offer authorized by ASF through Decision no. 957/19.09.2024, conducted during September 25, and October 8, 2024.

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

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

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

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

The OGM on April 29, 2024, approved the allocation of the net profit for the financial year 2023, in the amount of RON 417,255,132, to *Other reserves* as own sources of financing.

Lion Capital's dividend policy is published on the company's website, [www.lion-capital.ro](http://www.lion-capital.ro), in the section dedicated to corporate governance.

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

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

Efforts were also made in 2024, to promote Lion Capital at capital market events in partnerships with media outlets, aiming to increase the company's visibility within the Romanian capital market and to a broader base of institutional investors both locally and internationally.

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

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

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

## Anti-corruption Measures

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

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

## Internal Reporting (Whistleblower)

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

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

There were no complaints or notifications received through this channel in 2024.

## Conflicts of Interest

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

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

The directors of the company as well as the persons replacing them may not be members of the board of directors / supervisory board or directors / members of the board of directors of another AIFM or of the custodian of Lion Capital's assets, must not be members of the board of directors / supervisory board, directors or members of the board of directors of a financial investment services company (SSIF, brokers) with which Lion Capital has entered into a contract and must not be employed or have any contractual

relationship with another AIFM, with the exception of other entities belonging to the same group. Through the internal policies, rules, and procedures, as well as through the functional organization adopted, Lion Capital considers that the relevant persons involved in the various activities that encompass a risk of conflict of interest to carry out these activities with an adequate degree of independence.

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

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

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

## Corporate Information Regime

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

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

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

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

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

## **Transactions of insiders (persons having access to privileged information)**

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

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

In accordance with the provisions of internal rules and procedures and Regulation (EU) no. 596/2014 and Regulation (EU) no. 523/2016, persons holding managerial responsibilities as well as persons closely associated with them notify the company of each transaction carried out on their behalf regarding Lion Capital's shares or debt securities. This provision applies to any subsequent transactions once the value of EUR 5,000 has been reached during a calendar year. The EUR 5,000 threshold has been revised to EUR 20,000, effective December 4, 2024, pursuant to Regulation (EU) no. 2809/2024. The threshold is calculated by aggregating all transactions conducted without offsetting from the beginning of the calendar year. For transactions with other securities, internal rules and procedures for personal transactions apply.

Transactions with shares issued by the Company conducted by management personnel during the year 2024 have been reported in accordance with legal requirements and are available for consultation on the company's website, [www.lion-capital.ro](http://www.lion-capital.ro), in the section dedicated to Investor Relations.

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

## **Treatment Applicable to Transactions with Affiliated Entities**

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

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

In the year 2024, Lion Capital did not engage in significant transactions with affiliated parties, as defined by Law no. 24/2017, which would impose a legal reporting obligation.

## **Protection of Personal Data**

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

Through its own website, [www.lion-capital.ro](http://www.lion-capital.ro), or through communications sent to its email addresses, Lion Capital may collect personal data either as a regulated/authorized/supervised entity by the Financial Supervisory Authority (ASF), as an issuer of securities listed on the regulated market, as a contractual partner, or in other particular cases that may arise exceptionally in the Company’s activities. The Company



ensures the confidentiality of the information brought to its attention within this obligation, committing to protect and properly use the personal information provided by the data subjects or a third party.

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

## Engagement Policy

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

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

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

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

## ESG (Environment – Social – Corporate Governance)

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

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

*The policy regarding the integration of sustainability risks into the investment decision-making process* delineates the Company's objectives and strategy regarding sustainability risk. It establishes a clear segregation of processes and responsibilities by distinguishing the integration of sustainability risk at the investment decision level from its incorporation into the broader risk management system. The document is available on the company's website, [www.lion-capital.ro](http://www.lion-capital.ro), in the *Corporate Governance* section.

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

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

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

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

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

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

## Commitment to Environmental Protection

Although its operations do not directly impact the environment, Lion Capital demonstrates a strong commitment to environmental protection and the promotion of sustainable business practices. This dedication is reflected throughout its current operations and the core values it upholds.

**Responsible Waste Management.** Lion Capital addresses environmental protection by implementing efficient and responsible waste management practices for the waste generated by its employees and daily operations. This approach encompasses the collection, sorting, and optimal management of various waste types—including paper, plastic, electrical and electronic equipment, batteries, accumulators, lighting devices, and printer cartridges. By promoting selective collection alongside eco-friendly recycling and disposal practices, the company minimizes its environmental footprint while contributing to the sustainable utilization of resources.

**Energy Efficiency.** Reducing the consumption of electrical energy and methane gas (used for space heating and hot water supply) at its headquarters and branch offices has been a key focus for Lion Capital. The measures adopted are designed to both lessen environmental impact and control operating costs, through optimizing space utilization, implementing energy efficiency practices, and modernizing equipment.

**Promotion of Electronic Communication and Digitalization of Processes.** To further reduce its environmental impact, Lion Capital consistently opts for electronic communication over paper-based methods. The digitalization of operations contributes to a reduction in paper consumption and the associated use of natural resources, while the deployment of energy-efficient equipment—aligned with ergonomic and environmental protection standards—complements this resource-saving approach.

**Responsible Investments.** As investment fund, Lion Capital is fully aware of the significant indirect impact its operations can have on the environment. Consequently, the company is committed to enhancing the sustainable performance of the entities in which it invests and to fostering a more sustainable economy. Recognizing this impact and implementing the appropriate measures are critical challenges at the societal, group, and financial industry levels, thereby contributing to the creation of a greener and more equitable world.

## Social Responsibility

In today's rapidly evolving landscape—where the expectations of both communities and investors are continually shifting—the role and attitude of an investment fund committed to corporate responsibility are more crucial than ever.

Transparency and accountability are increasingly valued, with stakeholders expecting companies to distinguish themselves not only by financial performance but also by their significant contributions to community development. In this context, efficient environmental management, responsible human resource practices, and the adoption of socially responsible business practices are essential. Lion Capital has cemented its reputation as an ethical and sustainable corporate citizen, consistently demonstrating responsiveness to community needs and a profound awareness of its societal impact.

Lion Capital assumes responsibility not only toward its shareholders but also toward the communities in which its investments are present, acknowledging that true success is measured by generating a positive impact on both the environment and society alongside financial performance. Through its unwavering commitment, Lion Capital champions core values such as professionalism, excellence, innovation, accountability, teamwork, diversity, and dedication. This proactive stance not only safeguards its reputation and investor relations but also contributes to the creation of a more equitable and sustainable economy.

By adopting an integrated approach to social responsibility, Lion Capital meticulously manages environmental challenges, respects fundamental human rights, and promotes diversity and equity among

its employees and partners. This strategy enhances its financial performance while reinforcing the Fund's reputation and strengthening relationships with investors and other stakeholders.

Through the continuous promotion of professionalism, excellence, and innovation, Lion Capital not only optimizes its financial performance but also supports the sustainable economic development of society. Its success is measured not solely by financial metrics but also by its contributions to community welfare and environmental protection, highlighting the critical importance of a proactive and responsible approach in building a more equitable and healthy future.

During 2024, Lion Capital financially supported projects in the field of education, civic education, and the investment fund management industry.

**Educational and Civic Engagement Initiatives.** During 2024, Lion Capital financially supported projects in the fields of education, civic education, and fund management. The company furthered its collaboration with the Financial Supervisory Authority (ASF) and Institute of Financial Studies (IFS) through the *Start2Learn: Personal Finance* program, which aims to significantly enhance the financial literacy of young people in Romania. In this context, two Lion Capital representatives, qualified as volunteer financial education lecturers, conducted financial education sessions during the 2023–2024 and 2024–2025 school years, in partnership with pre-university educational institutions in Arad and Timișoara.

The corporate social responsibility policy of Lion Capital is posted on company's website, [www.lion-capital.ro](http://www.lion-capital.ro), in the section dedicated to corporate governance.

## Financial Reporting

The financial statements for FY 2024 were prepared in accordance with the International Financial Reporting Standards and ASF Norm no. 39/2015, which applies together with the Accounting Law no. 82/1991 (republished and amended). The financial auditor is Deloitte Audit S.R.L.

On April 29, 2024, the Company published the *separate financial statements and the consolidated financial statements for the year ended December 31, 2023*, prepared in accordance with Norm no. 39/2015 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority of the Financial Instruments and Investments Sector, audited by Deloitte Audit S.R.L. and approved by the Ordinary General Meeting of Shareholders on April 29, 2024 – accompanied by the annual report of the administrators and the report of the independent auditor.

On May 15, 2024, the Company published the Quarterly Report as of March 31, 2024, in accordance with Law no. 24/2017, Law no. 74/2015, Law no. 243/2019, ASF Regulation no. 10/2015, ASF Regulation no. 7/2020, ASF Regulation no. 5/2018 and ASF Norm no. 39/2015.

On August 30, 2024, the Company published the Report for 1H 2024, prepared in accordance with Law no. 24/2017, Law no. 74/2015, Law no. 243/2019, ASF Regulation no. 10/2015, ASF Regulation no. 7/2020, ASF Regulation no. 5/2018 and Norm no. 39/2015. The condensed interim separate Financial Statements as of June 30, 2024, included in the half-yearly report, were prepared in accordance with Norm no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by ASF.

On September 30, 2024, the Company published the Consolidated Report for 1H 2024. The condensed interim consolidated Financial Statements, as of June 30, 2024, contained in the consolidated half-yearly Report, were prepared in accordance with Rule no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by ASF.

On November 15, 2024, Lion Capital made available to the public the Report for 3Q 2024, prepared in accordance with Law no. 24/2017, Law no. 74/2015, Law no. 243/2019, ASF Regulation no. 10/2015, ASF Regulation no. 7/2020, ASF Regulation no. 5/2018 and ASF Rule no. 39/2015.

## 4. FINANCIAL ANALYSIS

Lion Capital prepared the financial statements as of December 31, 2024, pursuant to International Financial Reporting Standards (IFRS) as adopted by the European Union and to the ASF Norm no. 39/2015 for the approval of Accounting Regulations applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority (ASF) in the Sector of Financial and Investment Instruments.

The Separate Financial Statements as of December 31, 2024, including the related notes, are presented in Annex 1 to this report.

The following are comments on the financial position and the results of the Company in the financial year 2024, compared to the preceding three financial years:

### 4.1 Separate Statement of Financial Position

	2024	2023	2022	2021
Cash and cash equivalents (including bank deposits)	612,916,069	408,814,516	26,615,152	339,358,760
Financial assets at fair value through profit and loss	1,732,319,946	1,900,476,975	1,723,810,844	1,680,415,609
Financial assets at fair value through other comprehensive income	2,442,917,696	1,977,331,822	1,624,523,020	1,559,352,399
Investments recorded at amortized cost	1,257,518	-	-	-
Investment property, Tangible assets, Other assets	52,084,241	19,162,849	30,314,136	28,259,291
<b>Total Assets</b>	<b>4,841,495,470</b>	<b>4,305,786,163</b>	<b>3,405,263,152</b>	<b>3,607,386,059</b>
Deferred tax liabilities	230,787,752	182,852,994	136,546,721	179,957,876
Other liabilities (payable dividends, leasing, deferred revenues)	17,092,258	22,561,385	25,863,246	11,301,898
<b>Total liabilities and deferred revenues</b>	<b>247,880,009</b>	<b>205,414,379</b>	<b>162,409,967</b>	<b>191,259,774</b>
Share capital	50,751,006	50,751,006	50,751,006	51,542,236
Treasury shares (including costs related to the repurchase)	(7,221,000)	(2,494,800)	-	(21,694,227)
Retained earnings	983,800,944	1,243,688,988	832,847,626	1,140,789,898
Other equity elements (other reserves, legal reserves, benefits granted)	2,131,742,804	1,713,021,682	1,617,427,194	1,261,063,053
Reserves from revaluation of financial assets through other items of comprehensive income	1,434,541,708	1,095,404,908	741,827,359	984,425,325
<b>Total Equity</b>	<b>4,593,615,461</b>	<b>4,100,371,784</b>	<b>3,242,853,185</b>	<b>3,416,126,285</b>
<b>Total Liabilities and Equity</b>	<b>4,841,495,470</b>	<b>4,305,786,163</b>	<b>3,405,263,152</b>	<b>3,607,386,059</b>

**Cash and cash equivalents** include all of the Company's liquid investments in term bank deposits, current accounts, and cash on hand. The significant increase compared to 2023 is the result of a prudent and adaptive approach designed to ensure adequate performance. In this context, and in line with its investment strategy, Lion Capital has aimed to calibrate its portfolio toward asset classes and financial instruments that benefit from an inflationary environment, continue the portfolio restructuring by reducing minority exposures that do not align with the Fund's investment strategy, and active management of the majority holdings to foster business development and enhance performance.

**Financial assets at fair value through profit and loss** comprise the Company's holdings in participation securities in its subsidiaries and associated entities (excluding investments in consolidated subsidiaries) as well as holdings in fund units. The decrease in the position of financial assets measured at fair value through profit and loss compared to 2023 is attributable to impairments resulting from fair value differences related to unlisted or inactive market investments, as well as the sale of certain investments (Azuga Turism S.A.) or capital reductions (SIF Hoteluri S.A.).

**Financial assets at fair value through other comprehensive income** include equity investments for which the Company, upon initial application of IFRS 9, irrevocably opted to record fair value changes in other comprehensive income. This asset position is primarily influenced by: (1) the effect of 2024 stock market developments on the Company's portfolio of minority investments (mainly the advances of listed financial companies); and (2) significant net investments made in this asset category during 2024.

**Investment Property, Tangible Assets, and Other Assets** primarily consist of buildings and land acquired by the Company as a result of branch closures and the withdrawal of non-cash contributions from portfolio companies. As of December 31, 2024, the fair value of the Company's investment property is of RON 11.91m. Tangible Assets held by the Company are utilized in its operational and administrative activities at its headquarters, while the Other Assets category mainly comprises receivables due from third parties.

**Deferred tax liabilities** represent taxes payable or recoverable in future periods in relation to taxable or deductible temporary differences between the carrying amount and the tax base of an asset or liability. The increase in this position compared to the previous year is primarily due to adjustments in deferred income tax resulting from the higher level of revaluation reserves on securities measured at fair value through other comprehensive income, driven by the positive performance of capital markets in 2024.

**Shareholders' equity** constitutes the majority of the liabilities structure. Its value increased by 12% compared to the previous year, as both net profit and amounts recorded in other comprehensive income have favourably impacted equity, as follows:

- The increase in retained earnings is primarily driven by the difference between the current year's 2024 result (RON 161.73m) and the portion of the previous year's result that was not distributed as dividends.
- The "Fair value adjustments on financial assets measured at fair value through other comprehensive income" position, which increased by 31% compared to the end of 2023, reflects the impact of recognizing favourable fair value adjustments on financial assets in this category (including shares in companies where LION holds a minority stake and shares in the two subsidiaries within the consolidation scope). This position is influenced by both the net fair value difference resulting from market revaluation and the net result from the disposal of financial assets measured at fair value through other comprehensive income, which has been transferred to retained earnings.

## 4.2 Separate Statement of Profit and Loss and Other Comprehensive Income

	2024	2023	2022	2021
<b>Income, of which:</b>	<b>229,642,350</b>	<b>166,278,370</b>	<b>174,916,193</b>	<b>135,434,720</b>
Dividend Income	194,431,012	151,903,565	166,188,008	130,451,726
Interest Income	34,549,315	14,289,563	8,709,566	4,737,208
Other Operating Revenues	662,022	85,242	18,619	245,786
<b>Gain/(Loss) on Investments, of which:</b>	<b>(20,671,893)</b>	<b>296,845,895</b>	<b>(47,396,502)</b>	<b>288,290,481</b>
Gain/(Loss) on Foreign Exchange Differences	4,275	1,165,018	(20,400)	2,274,798
Gain/(Loss) on Investment Property	(76,045)	1,400,035	10,042	699,195
Gain / (Loss) on Financial Assets at Fair Value Through Profit and Loss	(20,600,123)	294,280,842	(47,386,144)	285,316,488
<b>Expenses, of which:</b>	<b>(32,733,068)</b>	<b>(27,526,925)</b>	<b>(24,393,742)</b>	<b>(27,384,877)</b>
Expenses/Reversals on Adjustments for Impairment	-	-	566,018	93,593
Commissions Expenses	(5,768,681)	(5,068,294)	(4,350,043)	(5,109,130)
Other Operating Expenses	(26,964,387)	(22,458,631)	(20,609,717)	(22,369,340)
<b>Profit Before Tax</b>	<b>176,237,389</b>	<b>435,597,340</b>	<b>103,125,949</b>	<b>396,340,324</b>
Income Tax	(14,502,738)	(18,342,208)	(7,658,801)	(9,339,219)
<b>Net Profit for the Period</b>	<b>161,734,652</b>	<b>417,255,132</b>	<b>95,467,148</b>	<b>387,001,105</b>
<b>Other Comprehensive Income</b>	<b>336,115,962</b>	<b>442,630,926</b>	<b>(240,290,182)</b>	<b>320,541,254</b>
<b>Total Comprehensive Income for the Period</b>	<b>497,850,614</b>	<b>859,886,058</b>	<b>(144,823,034)</b>	<b>707,542,359</b>

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

**Dividend income** increased in 2024 by 28% compared to 2023. This rise is attributable to the fact that the primary local and listed banks in Lion Capital's portfolio resumed paying dividends to shareholders.

**Interest income** comprises the interest earned on bank deposits, corporate bonds, loans granted to subsidiaries, as well as the financing component attached to contracts for the transfer of financial assets. In 2024, interest income significantly increased over the previous year.

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

**Gain / (Loss) on Investment**– the result achieved in 2024 was negatively impacted by unfavourable fair value adjustments on financial assets measured at fair value through profit and loss, in accordance with IFRS 9. These placements include both investments in subsidiaries that were excluded from the consolidation scope following their reclassification as investment entities, and investments in fund units issued by closed-end investment funds. The main contributors to the unfavourable fair value adjustments were the investments in listed subsidiaries and associated entities.

**Commission expenses** encompass the fees payable to regulatory bodies, the depository, the Stock Exchange, and intermediaries. These expenses have increased compared to those recorded in 2023, mirroring the rise in **Other operating expenses**, which include personnel and management salaries, taxes and duties, and other costs incurred from the Company's operations. Overall, total expenses in 2024 exceeded those in 2023, reflecting the positive momentum achieved by LION during the year.

### 4.3 Separate Cash Flow Statement

	2024	2023	2022	2021
<b>Operating Activities</b>				
<b>Profit net al perioadei</b>	<b>161,734,652</b>	<b>417.255.132</b>	<b>95.467.148</b>	<b>387.001.105</b>
<i>Adjustments for:</i>				
Amortization of tangible and intangible assets	554,389	526.264	553.220	516.273
Net (Gain) / Loss on disposal of tangible assets	(90,876)	-	-	5.369
Gain on valuation of investment property	(4,275)	(1.400.035)	(10.042)	(699.195)
(Net gain) / Net loss from financial assets at FVTPL	20,600,123	(294.280.842)	47.386.144	(285.316.488)
Dividend income	(194,431,012)	(151.903.565)	(166.188.008)	(130.451.726)
Interest income	(34,549,315)	(14.289.563)	(8.709.566)	(4.737.208)
Expense with interest related to leasing agreements	17,297	22.234	37.655	56.967
Gain/Loss on exchange rate differences assets / financial liabilities and other revenues/expenses	76,045	(136.295)	(1.344.661)	16.254
Benefits granted in equity instruments	3,179,550	2.315.317	2.000.537	2.576.937
Income tax	14,502,738	18.342.208	7.658.801	9.339.219
<b>Changes in assets and liabilities related to operating activities</b>				
Changes in other assets	121,205	109.301	(1.394.848)	(411.564)
Changes in other liabilities	1,642,201	(675.389)	4.438.258	3.792.170
Income tax paid	(14,170,287)	(19.871.237)	-	(30.732.758)
<b>Net cash (used in) / from operating activities, of which:</b>	<b>(40,817,572)</b>	<b>(43.986.470)</b>	<b>(20.105.362)</b>	<b>(49.044.645)</b>
<b>Investment activities</b>				
Payments for purchase of financial assets at FVTOCI	(83,373,322)	(23.748.220)	(357.337.857)	(67.751.279)
Proceeds from the sale of financial assets at FVTOCI	426,359	183.810.181	8.378.030	196.793.416
(Investments) / Proceeds from deposits with term longer than 3 months	-	-	79.198.863	(79.198.863)
Proceeds from sale of assets at FVTPL	230,699,399	168.740.454	27.193.910	16.484.890
Payments for purchase of assets at FVTPL	(111,024,212)	(56.689.483)	(115.657.463)	(12.906.934)
Proceeds/(Payments) for purchase of assets recorded at amortized cost	(1,242,744)	-	-	-
Payments for purchases of tangible assets	(428,356)	(73.588)	(231.500)	(113.688)
Proceeds from sale of assets and investment property	2,090,358	464.057	-	926.060
Dividends collected	185,679,001	146.223.963	159.092.059	125.033.641
Interest collected	29,750,622	12.674.637	5.452.918	3.581.221
<b>Net cash (used in) / from investment activities</b>	<b>252,577,105</b>	<b>431.402.001</b>	<b>(193.911.040)</b>	<b>182.848.463</b>
<b>Financing activities</b>				
Payments related to leasing	(274,831)	(287.920)	(295.131)	(281.064)
Dividends paid	(70,118)	(155.454)	(19.199.846)	-
Repurchase of own shares	(7,313,032)	(4.772.793)	-	(24.107.040)
<b>Net cash (used in) / from financing activities</b>	<b>(7,657,980)</b>	<b>(5.216.166)</b>	<b>(19.494.976)</b>	<b>(24.388.104)</b>
<b>Increase / (decrease) in net cash and cash equivalents</b>	<b>204,101,552</b>	<b>382.199.365</b>	<b>(233.511.378)</b>	<b>109.415.714</b>
<b>Cash and cash equivalents on January 1st</b>	<b>408,814,516</b>	<b>26.615.152</b>	<b>260.126.530</b>	<b>150.710.816</b>
<b>Cash and cash equivalents on December 31st</b>	<b>612,916,069</b>	<b>408.814.517</b>	<b>26.615.152</b>	<b>260.126.530</b>

In 2024, the net cash generated from investment activities amounted to RON 251.9m, the collected dividends (RON 186m) and the proceeds from disinvestments led to a significant increase in the cash and cash equivalents position as of December 31, 2024, compared to the beginning of the reporting period.

#### 4.4 Implementation of Budget for 2024, Summary Statement

Implementation of Budget for 2024	Result for 2023	Provisions for 2024	Result for 2024	+/- vs. budget
<b>Total income</b>	<b>166,278,370</b>	<b>138,929,559</b>	<b>229,642,350</b>	<b>65.3%</b>
<b>Net gain/(loss) on investment</b>	<b>296,845,895</b>	<b>-</b>	<b>(20,671,893)</b>	
<b>Operating expenses</b>	<b>27,526,925</b>	<b>38,545,298</b>	<b>32,733,068</b>	<b>-15.1%</b>
<b>Profit before tax</b>	<b>435,597,340</b>	<b>100,384,261</b>	<b>176,237,389</b>	<b>75.6%</b>
Income tax (including tax on gross dividends due)	18,342,208	7,300,000	14,502,738	98.7%
<b>Net profit for the year</b>	<b>417,255,132</b>	<b>93,084,261</b>	<b>161,734,652</b>	<b>73.8%</b>
<b>Total comprehensive income for the year</b>	<b>859,886,058</b>	<b>-</b>	<b>496,536,736</b>	

**Total Income** achieved is 65.3% above the budget for 2024 and 38% higher than the result for 2023. The dynamics of the main variables are presented in the Statement on Profit and Loss and Other Comprehensive Income.

**Net Gain on Investment** has significantly declined vs. 2023, as this component was impacted by the marking to market of assets measured at fair value through profit and loss.

**Operating Expenses** incurred in 2024 are below the budgeted amounts by 15.1% and 18.9% higher than those recorded in 2023.

**The Gross Result**, amounting to RON 176.2m, exceeds the projections for 2024 primarily due to the dividend income.

**The net result for the fiscal year**, totalling **RON 161.73m**, surpasses the level of projections for 2024. The dividend income collected in 2024 decisively influenced the Company's performance.



## 5. OTHER SIGNIFICANT INFORMATION

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

Lion Capital S.A. informed the shareholders in the current report dated February 6, 2024, that, based on the resolutions no. 3 and no. 4 adopted by the Extraordinary General Meeting of the Shareholders of the Company of April 27, 2023, the Board of Directors approved on February 5, 2024, the offer, free of charge, of a total of 990,000 shares, to the members of the management structure, under a share-based payment plan of a "Stock Option Plan" type. The vesting (transfer of shares) will occur upon the fulfilment of the conditions outlined in the "Stock Option Plan" and upon the exercise of the option by each beneficiary, following a 12-month period from the signing of the payment agreements.

The vesting of shares and their subsequent transfer is to occur upon the fulfilment of the conditions set forth in the Stock Option Plan and the exercise of the option by each beneficiary, following a 12-month period from the signing of the payment agreements. The disclosure document concerning the shares offered or allotted to members of Lion Capital's management structure, prepared as per EU Regulation no. 1129/2017 and ASF Regulation no. 5/2018, was published alongside the company's current report.

Through the current report dated June 11, 2024, Lion Capital S.A. informed shareholders that, based on Resolutions no. 3 and no. 4 adopted by the Extraordinary General Meeting of Shareholders on April 29, 2024, the Board of Directors approved, on June 10, 2024, the allocation of 1,500,000 shares to employees and members of the management structure under a Stock Option Plan.

The vesting of shares and their subsequent transfer is to take place upon meeting the conditions stipulated in the Stock Option Plan and upon the exercise of the option by each beneficiary, following a 12-month period from the signing of the payment agreements. The disclosure document concerning the shares offered or allotted to members of Lion Capital's management structure, prepared as per EU Regulation no. 1129/2017 and ASF Regulation no. 5/2018, was published alongside the current report issued by the company.

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

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

The Notification received was published alongside the current report issued by the company.

### Sale of Azuga Turism S.A. Shares

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

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

### Publication of Preliminary Financial Results for FY 2023

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

## Completion of Share-based Payment Plan

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

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

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

## Authorization of Company Director

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

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

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

## OGM and EGM of April 29, 2024

The Board of Directors of Lion Capital S.A., in the meeting held on March 22, 2024, convened, pursuant to art. 117 of Law no. 31/1990, the ordinary general meeting of shareholders ("OGM") for April 29 (30), 2024, at 10:00 am, and the extraordinary general meeting of shareholders ("EGM") for April 29 (30), 2024, at 12:00 pm, at the company's headquarters in Arad, Calea Victoriei no. 35A.

The works of OGM and EGM were held at the first call on April 29, 2024, all documents pertaining to the organization and conduct of the general shareholders' meetings, as well as the adopted resolutions, are available on the company's website, [www.lion-capital.ro](http://www.lion-capital.ro), in the *Investor Relations • General Shareholders' Meetings section*.

The Ordinary General Meeting of Shareholders approved:

- The standalone financial statements for the financial year 2023, based on discussions and reports presented by the Board of Directors and the financial auditor, including the Lion Capital Remuneration Report for 2023, in accordance with the provisions of Article 107, paragraph (6) of Law no. 24/2017 (republished), annexed to the annual report of the Board of Directors.
- The allocation of the net profit for the 2023 financial year, amounting to RON 417,255,132, to Other Reserves as own financing sources.
- The consolidated financial statements prepared for the year ended December 31, 2023, based on discussions and reports presented by the Board of Directors and the financial auditor.
- The discharge of the administrators from liability for their activity during the 2023 financial year.
- The Income and Expenses Budget and the Activity Program for the year 2024.
- The remuneration of the members of the Board of Directors for the 2024 financial year, at the level established by the OGM resolution dated April 26, 2016.
- The general limits of all additional remunerations for the members of the Board of Directors and the general limits of the remuneration for directors for the 2024 financial year, at the level established by AGOA Resolution no. 7 of April 27, 2020.

The main items approved on the agenda of the Extraordinary General Meeting of Shareholders (EGMS) relate to the implementation of a share buyback program for up to 1,500,000 own shares ("Program 8"),

aimed at distributing them free of charge to employees and members of the Company's management (administrators, directors) under a Stock Option Plan.

### **Changes in Lion Capital S.A. Leadership**

Lion Capital S.A. informed investors that on September 23, 2024, Mr Radu-Răzvan Străuț submitted his resignation from all positions held within Lion Capital S.A., effective September 30, 2024. As of this date, his mandates as a Board member, Vice Chairman, and Deputy CEO will terminate by operation of law. The company's leadership will continue under the remaining three directors.

At the meeting on September 25, 2024, the Board of Directors acknowledged Mr Radu-Răzvan Străuț's resignation from his positions as Board member and Deputy CEO and, by Decision no. 1 dated November 28, 2024, approved the appointment of Mr Rachid El Lakis as interim Board member and Vice Chairman of the Board. Mr El Lakis's mandate will become effective only after obtaining authorization from the Financial Supervisory Authority (ASF).

### **Results of the Public Tender Offer for Lion Capital Shares**

On 5 September 2024, Lion Capital informed shareholders and investors that, in order to implement the resolutions of the EGM no. 4 of April 27, 2023, and no. 3 of April 29, 2024, it had submitted to the Financial Supervisory Authority ("ASF") the Public Tender Offer Document for 2,490,000 shares issued by Lion Capital, along with the accompanying documentation. SSIF SWISS CAPITAL S.A. was appointed as the intermediary in the Public Tender Offer.

The Public Offer Document was approved by ASF Decision no. 957 of September 19, 2024, and the offer was scheduled to take place between September 25, and October 8, 2024, at a price of RON 2.90 per share.

On October 11, 2024, a notification regarding the results of the Offer was published on the websites of the Bucharest Stock Exchange and the Company. Within the offer, a total of 5,635,848 shares were tendered, representing 1.1105% of the issuer's share capital. The number of securities purchased amounted to 2,490,000 shares, with the total sum paid being RON 7,221,000. Settlement was executed through Depozitarul Central (the Romanian Central Securities Depository) on October 11, 2024. Following the closure of the offer, Lion Capital holds 2,490,000 treasury shares, representing 0.4906% of its share capital.

### **The OGM and EGM of October 31, 2024**

On September 20, 2024, the company's Board of Directors, pursuant to Article 117 of Law No. 31/1990, convened the **Ordinary General Meeting of Shareholders ("OGM")** and the **Extraordinary General Meeting of Shareholders ("EGM")** for October 31 (November 1), 2024, at the company's headquarters in Arad, with October 15, 2024, set as the reference date.

The Ordinary General Meeting of Shareholders held on October 31, 2024, starting 10:00 hours, primarily addressed the election of Board members for a four-year term (April 26, 2025 - April 26, 2029). Bogdan-Alexandru Drăgoi, Rachid Lakis, Marcel Pfister, and Sorin Marica were elected as directors, subject to ASF authorization/approval as per applicable regulations.

The Extraordinary General Meeting, held on October 31, 2024, starting 12:00 hours, approved the proposal for the relocation of the company's headquarters from Arad to Bucharest, along with subsequent proposals to dissolve and deregister the Bucharest Branch from the Trade Register (currently operating at the proposed headquarters address). The current headquarters will become Arad Branch, with corresponding updates to the Articles of Association.

### **Employment Contract Termination for Compliance Officer**

Lion Capital S.A. informed investors that Mr Ioan-Eugen Cristea's employment contract as Compliance Officer terminated by law on October 18, 2024, under Article 56(1)(c) of the Labour Code, following fulfilment of standard retirement age and minimum contribution period requirements.

The role of Compliance Officer continues to be performed by Mr Ilie Gavra.

### **Appointment of Interim Director**

Lion Capital S.A. informed investors that, during the meeting held on November 28, 2024, the Board of Directors of the Company approved the appointment of Mr. Rachid El Lakis as interim director and Vice

President of the Board of Directors of Lion Capital SA. However, Mr. Rachid El Lakis will effectively commence his mandate as director only after obtaining authorization from the Financial Supervisory Authority for this position.

Previously, during the Board of Directors meeting on November 18, 2024, a decision was made to revoke Board Resolution no. 3 of September 25, 2024, which had approved the appointment of Mr. Rachid El Lakis as interim director and Vice President of the Board of Directors of Lion Capital SA, filling the vacancy on the Board following the resignation of Mr. Radu Răzvan Străuț. This decision was taken in the context of the correspondence exchanged with the Financial Supervisory Authority as part of the authorization/approval procedure for Mr. Rachid El Lakis as interim director, during which the authority requested a revision of the authorization documentation submitted.

### **Lion Capital's 2025 Financial Calendar**

In accordance with the provisions of Article 247 of ASF Regulation no. 5/2018 on issuers of financial instruments and market operations, as well as Article 92, Title II, Chapter VI, Section 2 of the Bucharest Stock Exchange Rulebook, **Lion Capital's Financial Calendar for the year 2025** was submitted on December 20, 2024, for the information of investors, the Bucharest Stock Exchange, and the Financial Supervisory Authority.

## 6. SUBSEQUENT EVENTS

The subsequent events disclosed in the directors' report were not deemed to have an impact on the standalone financial statements, being included here to provide an up-to-date and comprehensive view of the Company following the closure of the financial reporting period.

### Publication of *Previous Performance Scenarios*

On January 29, 2025, Lion Capital published on its website - in the *Corporate Governance* section, under the subsection dedicated to FIAIR - *Previous Performance Scenarios*, a document prepared using data publicly available as of December 31, 2024, in accordance with Delegated Regulation (EU) 653/2017. This regulation, which supplements Regulation (EU) no. 1286/2014, establishes the technical standards regarding the presentation, content, review, and amendment of Key Information Documents (KIDs) for Packaged Retail and Insurance-based Investment Products (PRIIPs). This approach ensures that the information provided to investors is updated, accurate, and compliant with the transparency and comparability requirements for investment products. This periodically updated document presents the monthly performance scenarios, calculated based on the evolution of the LION stock price on the Bucharest Stock Exchange (BVB), and serves to ensure clear and continuous disclosure of the fund's historical performance, thereby facilitating proper investor understanding of the evolution of the performance scenarios.

### Publication of Preliminary Financial Results for FY 2024

On February 28, 2025, Lion Capital published the preliminary financial results for the year ended December 31, 2024, prepared in accordance with IFRS, through communication in the market (BVB/BSE) and posting on the Company's website at [www.lion-capital.ro](http://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, 2024, 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](http://www.lion-capital.ro), under *Portfolio Management • Net Asset • Methods for the Measurement of Lion Capital's Assets*.

Additional information on the valuation methods for Lion Capital's assets can also be consulted in Chapter 3 of the *Rules of the Fund*, a document available to investors on company's website in the *Corporate Governance* section, in the dedicated AIFRI subsection.

### Publication of Key Information Documents

On March 5, 2025, Lion Capital published on its own website - in the *Corporate Governance* section, under the FIAIR dedicated subsection, and in the *Portfolio Management* section, under the *Net Asset* subsection, and submitted to ASF - the Key Information Document (KID) and the past Performance of Net Asset, prepared using data publicly available as of December 31, 2024.

Based on Regulation (EU) no. 1286/2014, as supplemented by Delegated Regulation (EU) 653/2017 (amended by Delegated Regulation (EU) 2021/2268), these documents are prepared in accordance with the technical standards imposed for the presentation, review, and amendment of key information. This ensures clear and continuous disclosure of historical performance through a graph that illustrates the annual evolution of net assets, calculated based on the unit values published at the end of each financial year and representing the fund's absolute return. Such an approach facilitates the comparability and understanding of performance trends, thereby contributing to informed investment decisions.

## 7. PROPOSALS OF THE BOARD OF DIRECTORS

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Given this report, the Board of Directors submits for approval of the Ordinary General Meeting of Shareholders convened for April 24 (25), 2025:

**1. The standalone financial statements as of December 31, 2024, prepared pursuant to International Financial Reporting Standards adopted by the European Union and ASF Rule no. 39/2015, including:**

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

**2. The proposal for the allocation of the net profit for the financial year ended December 31, 2024.**

The current frailty of the domestic economic environment, marked by a high budget deficit and the risk of increased fiscal measures to address macroeconomic imbalances, combined with electoral uncertainties, could further exacerbate volatility in the local capital market. To be able to absorb more easily potential shocks on capital markets, but also to benefit from such short periods of volatility, the Board of Directors of Lion Capital S.A. proposes for approval of the General Meeting of Shareholders not to distribute dividends and to maintain a capitalization level of the Company as high as possible.

The Board of Directors proposes to the General Meeting of Shareholders the approval of allocating the net profit for 2024, amounting to RON 161,734,652, to Other reserves as own funding sources.

**3. Discharge from liability of the Board of Directors for the activity carried out during the financial year 2024.**

This report is accompanied by the following annexes:

<b>ANNEX 1</b>	Separate Financial Statements as of December 31, 2024, prepared pursuant to International Financial Reporting Standards adopted by the European Union and ASF Norm no. 39/2015
<b>ANNEX 2</b>	Statement of Lion Capital's assets and liabilities as of December 31, 2024, and the detailed statement of investments (as per Annexes no. 10 and 11 to Regulation no. 7/2020)
<b>ANNEX 3</b>	Compliance with the Code of Corporate Governance issued by Bucharest Stock Exchange (BVB)
<b>ANNEX 4</b>	Statement on the compliance with the principles of corporate governance as per ASF Regulation no. 2/2016
<b>ANNEX 5</b>	Annual Report of the Nomination and Remuneration Committee
<b>ANNEX 6</b>	Lion Capital's Remuneration Report for 2024
<b>ANNEX 7</b>	Amendments to the Articles of Association in 2024

The version prepared in Romanian of the Annual Report of the Board of Directors (which is the official and binding version) was approved by the Board of Directors of Lion Capital in the meeting held on March 24, 2025.

**Bogdan-Alexandru DRĂGOI**  
Chairman of the Board of Directors

## **LION CAPITAL S.A.**

### Separate financial statements on 31 December 2024

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



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**Individual statement of profit or loss and other comprehensive income  
for the financial year ended 31 december 2024**

<i>In ROL</i>	<i>Note</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
<b>Revenue</b>			
Income from dividends	7	194.431.012	151.903.565
Interest income (related to assets at fair value through other comprehensive income, depreciated cost assets)	8	30.356.102	5.800.174
Interest income (related to assets at fair value through profit and loss)	8	4.193.213	8.489.389
Other financial income		445.500	-
Other operating income		216.522	85.242
<b>Investment gain/loss</b>			
Gain / (loss) from investments in real estate		4.275	1.400.035
Gain /(loss) from exchange rate differences		(76.045)	1.165.018
Profit/loss on financial assets at fair value through the profit and loss account	9	(20.600.123)	294.280.842
<b>Expenses</b>			
Commission expenses	10	(5.768.681)	(5.068.294)
Other operational expenditure	11	(26.964.387)	(22.458.631)
<b>Profit before tax</b>		<b>176.237.389</b>	<b>435.597.340</b>
Income tax	12	(14.502.738)	(18.342.208)
<b>Net profit of the financial year</b>		<b>161.734.652</b>	<b>417.255.132</b>
<b>Other comprehensive income</b>			
<b>Items that are or may be transferred to retained earnings</b>			
Change in fair value for financial assets measured through other comprehensive income	16	382.638.911	512.870.764
Changes in the revaluation reserve, tangible assets		1.346.726	-
Retained earnings from the correction of accounting errors		(32.848)	-
		(47.836.827)	(70.239.838)
The effect of their deferred tax on profit			
<b>Other comprehensive income</b>		<b>336.115.962</b>	<b>442.630.926</b>
<b>Total overall result for the period</b>		<b>497.850.614</b>	<b>859.886.058</b>
<b>The result per share</b>			
Basic		0,3192	0,8222
Diluted		0,3192	0,8222

The individual financial statements were approved by the Management Board on 24 March 2025 and signed on its behalf by:

Bogdan-Alexandru Dragoi  
Chairman

Dusu Bogdan  
Chief Financial Officer

**The individual statement of financial position  
for the financial year ended 31 december 2024**

<i>In ROL</i>	<i>Note</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
<b>Assets</b>			
Cash and cash equivalents	13	612.916.069	408.814.516
Other financial assets	14	32.521.102	730.106
Other assets		354.629	317.634
Financial assets measured at fair value through the profit and loss account	15	1.732.319.946	1.900.476.975
Financial assets measured at fair value through other comprehensive income (shares)	16	2.442.917.696	1.977.331.822
Financial assets measured at amortized cost		1.257.518	-
Assets representing rights to use the underlying assets under the lease		2.243.002	227.961
Investments in real estate		11.913.467	14.363.411
Tangible assets		5.052.041	3.523.737
<b>Total assets</b>		<b>4.841.495.470</b>	<b>4.305.786.163</b>
<b>Liabilities</b>			
Dividends to be paid		9.816.739	9.886.856
Other financial liabilities	17	2.898.559	12.402.436
Other liabilities and income recorded in advance		2.129.455	13.593
Lease liabilities		2.247.505	258.500
Deferred tax liabilities	18	230.787.752	182.852.994
<b>Total liabilities</b>		<b>247.880.009</b>	<b>205.414.379</b>
<b>Equity</b>			
Share capital	19	50.751.006	50.751.006
Own shares		(7.221.000)	(2.494.800)
Losses on the repurchase of own shares		(151.959)	(31.973)
Gains or (-) loss on financial assets and liabilities held for trading, net		2.399.100	2.159.850
Other reserves	19	2.116.822.166	1.699.567.034
Reserves from the revaluation of tangible assets		2.523.295	1.176.569
Legal reserves	19	10.150.201	10.150.201
Reserves from the revaluation of financial assets designated at fair value through other comprehensive income	16, 19	1.434.541.708	1.095.404.908
Retained earnings	19	983.800.944	1.243.688.988
<b>Total equity</b>		<b>4.593.615.461</b>	<b>4.100.371.784</b>
<b>Total liabilities and equity</b>		<b>4.841.495.470</b>	<b>4.305.786.163</b>

The individual financial statements were approved by the Management Board on 24 March 2025 and signed on its behalf by:

Bogdan-Alexandru Dragoi  
Chairman

Dusu Bogdan  
Chief Financial Officer

## The individual statement of changes in equity *for the financial year as at 31 December 2024*

<i>In ROL</i>	Share capital	Own shares	Losses on the asset-liability management	Legal reserves	Restatement financial assets designated at fair value through other comprehensive income	Reserves from the revaluation of tangible assets	Gains or (-) loss on financial assets and liabilities held for trading, net	Other reserves	Retained earnings	Total
<b>Balance as at 1 January 2024</b>	<b>50.751.006</b>	<b>(2.494.800)</b>	<b>(31.973)</b>	<b>10.150.201</b>	<b>1.095.404.908</b>	<b>1.176.569</b>	<b>2.159.850</b>	<b>1.699.567.034</b>	<b>1.243.688.988</b>	<b>4.100.371.784</b>
Profit for the financial year	-	-	-	-	-	-	-	-	161.734.652	161.734.652
The revaluation reserve of financial assets transferred to the profit and loss account	-	-	-	-	-	-	-	-	-	-
The revaluation reserve of financial assets transferred to retained earnings	-	-	-	-	3.922.447	-	-	-	(3.922.447)	-
Retained earnings from the correction of accounting errors	-	-	-	-	-	-	-	-	(32.848)	(32.848)
The variation in the reserve	-	-	-	-	382.638.911	-	-	-	-	382.638.911
Revaluation of tangible assets	-	-	-	-	-	1.346.726	-	-	-	1.346.726
Related deferred income tax	-	-	-	-	(47.424.558)	-	-	-	(412.269)	(47.836.827)
<b>Total overall result for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>339.136.799</b>	<b>1.346.726</b>	<b>-</b>	<b>-</b>	<b>157.367.088</b>	<b>497.850.614</b>
Other reserves - own resources	-	-	-	-	-	-	-	417.255.132	(417.255.132)	-
Dividends to be paid	-	-	-	-	-	-	-	-	-	-
Prescribed dividends	-	-	-	-	-	-	-	-	-	-
Profit or loss from the financial year	-	2.494.800	-	-	-	-	239.250	-	-	2.734.050
Repurchase of own shares	-	(7.221.000)	(151.959)	-	-	-	-	-	-	(7.372.959)
Cancel your own shares	-	-	31.973	-	-	-	-	-	-	31.973
<b>Total transactions with shareholders recognized directly in equity</b>	<b>-</b>	<b>(4.726.200)</b>	<b>(119.986)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>239.250</b>	<b>417.255.132</b>	<b>(417.255.132)</b>	<b>(4.606.936)</b>
<b>Balance as at 31 December 2024</b>	<b>50.751.006</b>	<b>(7.221.000)</b>	<b>(151.959)</b>	<b>10.150.201</b>	<b>1.434.541.708</b>	<b>2.523.295</b>	<b>2.399.100</b>	<b>2.116.822.166</b>	<b>983.800.944</b>	<b>4.593.615.461</b>

The individual financial statements were approved by the Management Board on 24 March 2025 and signed on its behalf by:

Bogdan-Alexandru Dragoi  
Chairman

Dusu Bogdan  
Chief Financial Officer

## The individual statement of changes in equity *for the financial year as at 31 December 2024*

<i>In ROL</i>	Share capital	Own shares	Losses on the asset-liability management	Legal reserves	Restatement financial assets designated at fair value through other comprehensive income	Reserves from the revaluation of tangible assets	Gains or (-) loss on financial assets and liabilities held for trading, net	Other reserves	Retained earnings	Total
<b>Balance as at 1 January 2023</b>	<b>50.751.006</b>	-	-	<b>10.150.201</b>	<b>741.827.359</b>	<b>1.176.569</b>	<b>2.000.537</b>	<b>1.604.099.887</b>	<b>832.847.626</b>	<b>3.242.853.185</b>
Profit for the financial year	-	-	-	-	-	-	-	-	417.255.132	417.255.132
The revaluation reserve of financial assets transferred to the profit and loss account	-	-	-	-	-	-	-	-	-	-
The revaluation reserve of financial assets transferred to retained earnings	-	-	-	-	(106.766.363)	-	-	-	106.766.363	-
The variation in the reserve	-	-	-	-	512.870.764	-	-	-	-	512.870.764
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred income tax	-	-	-	-	(52.526.852)	-	-	-	(17.712.986)	(70.239.838)
<b>Total overall result for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>353.577.549</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>506.308.509</b>	<b>859.886.058</b>
Other reserves - own resources	-	-	-	-	-	-	-	95.467.147	(95.467.147)	-
Dividends to be paid	-	-	-	-	-	-	-	-	-	-
Prescribed dividends	-	-	-	-	-	-	-	-	-	-
Profit or loss from the financial year	-	-	-	-	-	-	2.376.913	-	-	2.376.913
Repurchase of own shares	-	(4.712.400)	(60.393)	-	-	-	-	-	-	(4.772.793)
Cancel your own shares	-	2.217.600	28.420	-	-	-	(2.217.600)	-	-	28.420
<b>Total transactions with shareholders recognized directly in equity</b>	<b>-</b>	<b>(2.494.800)</b>	<b>(31.973)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159.313</b>	<b>95.467.147</b>	<b>(95.467.147)</b>	<b>(2.367.460)</b>
<b>Balance as at 31 December 2023</b>	<b>50.751.006</b>	<b>(2.494.800)</b>	<b>(31.973)</b>	<b>10.150.201</b>	<b>1.095.404.908</b>	<b>1.176.569</b>	<b>2.159.850</b>	<b>1.699.567.034</b>	<b>1.243.688.988</b>	<b>4.100.371.784</b>

The individual financial statements were approved by the Management Board on 24 March 2025 and signed on its behalf by:

Bogdan-Alexandru Dragoi  
Chairman

Dusu Bogdan  
Chief Financial Officer

**Individual cash flow statement**  
**for the financial year ended 31 december 2024**

	<i>In ROL</i>	<i>Note</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
<b>Operating activities</b>				
Net profit of the period			<b>161.734.652</b>	<b>417.255.132</b>
<i>Adjustments for:</i>				
Depreciation of tangible and intangible assets			554.389	526.264
Gain on disposal of tangible assets			(90.876)	-
Gain from the valuation of real estate investments			(4.275)	(1.400.035)
(Gain)/loss on financial assets at fair value through the profit and loss account (shares and units)			20.600.123	(294.280.842)
Income from dividends	7		(194.431.012)	(151.903.565)
Interest income	8		(34.549.315)	(14.289.563)
Interest expense on the lease liability			17.297	22.234
(Impairment or (-) loss on financial assets and liabilities at fair value through profit or loss			76.045	(136.295)
Gains or (-) loss on financial assets and liabilities held for trading, net			3.179.550	2.315.317
Income tax	12		14.502.738	18.342.208
<b>Changes in the assets and liabilities associated with the operating activity</b>				
Changes in other assets (claims, etc.)			121.200	109.301
Changes in other financial liabilities			1.642.201	(675.389)
Income tax paid			(14.170.287)	(19.871.237)
<b>Net cash used in operating activities</b>			<b>(40.817.572)</b>	<b>(43.986.470)</b>
<b>Investment activities</b>				
Payments for acquisition of financial assets measured at fair value through other comprehensive income (share)	16		(83.373.322)	(23.748.220)
Proceeds from the sale of financial assets measured at fair value through other comprehensive income (shares)	16		426.359	183.810.181
Proceeds from the sale/redemption of assets at fair value through the profit and loss account (shares, units, bonds)	15		230.699.399	168.740.454
Payments for the acquisition of assets at fair value through the profit and loss account (shares)	15		(111.024.212)	(56.689.483)
Payments for the purchase of assets at amortized cost (bonds)			(1.242.744)	-
Proceeds from the sale of property, plant and equipment			2.090.358	464.057
Payments for the acquisition of tangible assets			(428.356)	(73.588)
Dividends received			185.679.001	146.223.963
Interest earned			29.750.622	12.674.637
<b>Net cash from investment activities</b>			<b>252.577.105</b>	<b>431.402.001</b>
<b>Financing activities</b>				
Lease payments			(274.831)	(287.920)
Dividends paid			(70.118)	(155.454)
Repurchase of own shares			(7.313.032)	(4.772.793)
<b>Net cash used in financing activities</b>			<b>(7.657.980)</b>	<b>(5.216.166)</b>
<b>Net increase/decrease in cash and cash equivalents</b>				
			<b>204.101.552</b>	<b>382.199.364</b>
Cash and cash equivalents on 1 January			408.814.516	26.615.152
<b>Cash and cash equivalents as at 31 December</b>			<b>612.916.069</b>	<b>408.814.516</b>

The individual financial statements were approved by the Management Board on 24 March 2025 and signed on its behalf by:

Bogdan-Alexandru Dragoi  
Chairman

Dusu Bogdan  
Chief Financial Officer

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

## The reporting company

Lion capital S.A. ('the company') was established under Law No 133/1996 by the reorganization and conversion of the Banat-Crisana private property Fund and is a public limited company operating under Law No 31/1990. The company is established as a self-managed investment company authorized by the Financial Supervisory Authority as alternative Investment Fund Manager (AIFM) - authorization No 78/09.03.2018, classified according to the provisions of Law No 243/2019 as a closed, diversified alternative Investment Fund for retail investors (FIAIR). The Financial Supervisory Authority has issued authorization No 130/01.07.2021 authorizing Lion capital S.A. as an alternative Investment Fund for retail investors (F.I.A.I.A.).

The company also draws up consolidated financial statements as the ultimate parent for the group entities.

Lion capital S.A. has its registered office in Arad, Calea Victoriei, nr. 35 A, Arad county, code 310158, tel: 0257.304.438, Fax: 0257.250.165. The registration number from the Office of the Register of Commerce is: J02/1898/1992, and the unique Code of tax registration is: RO 2761040.

The objects of the company are:

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

The company's shares are listed on the Bucharest stock Exchange with effect from 1 November 1999 and are traded on the regulated market in Premium category with the indication of lion.

The company's depository company, since 28.11.2019, has been the Romanian commercial Bank (BCR), until that date (since 29.01.2014) being BRD Groupe Société Générale.

The register services company is the Central depository OF THE BUCHAREST CENTRAL SA.

## The bases of the preparation

### (A) the Declaration of conformity

The separate financial statements have been prepared in accordance with the International Financial Reporting standards (IFRSs) adopted by the European Union and the Financial Supervisory Authority (FSA) Regulation No 39/28 December 2015 for the approval of accounting regulations in accordance with International Financial Reporting standards, applicable to authorized entities, Regulated and supervised by the ASF in the financial instruments and investment sector, as amended and supplemented thereafter (hereinafter referred to as 'the rule').

Users of such separate financial statements shall read these statements together with the consolidated financial statements of the Group for the year ended 31 December 2024 in order to obtain full information about the financial position, the results of the operations and the cash flows of the group as a whole.

The individual financial statements were approved by the Board of Directors at its meeting on 24 March 2025.

### - *Reporting by segment*

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

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

## **(B) the presentation of separate financial statements**

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

## **(c) the basis for the assessment**

The separate financial statements are prepared on the basis of the business continuity principle and the fair value agreement for financial assets and liabilities, at fair value through the profit and loss account or other comprehensive income.

Other financial assets and liabilities, as well as non-financial assets and liabilities, are presented at amortized cost, revalued value or historical cost.

The methods used to measure fair value are described in Note 3(e)(iii) and Note 5.

## **(D) functional and presentation currency**

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

## **(E) the use of estimates and judgments**

The preparation of individual financial statements in accordance with IFRS requires management to use estimates, judgments and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. The estimates and assumptions associated with these judgments shall be based on historical experience as well as other factors considered reasonable in the context of those estimates. The results of these estimates shall form the basis for judgments on the book values of assets and liabilities that cannot be obtained from other sources of information. The results obtained may differ from the estimates.

The estimates and the underlying assumptions shall be reviewed periodically. Revisions to accounting estimates shall be recognized in the period in which the estimate is revised, if the revision only affects that period, or the period in which the estimate is revised, and future periods if the revision affects both current and future periods.

Management judgments in applying IFRS that have a material effect on the individual financial statements as well as estimates that involve a material risk of a material adjustment during the next year are presented in Note 5.

## **(F) changes in accounting policies - information on accounting policies with material impact**

The company adopted the "presentation of accounting policies (amendments to IAS 1 and Declaration 2 on IFRS practice)" document as of 1 January 2023. The management reviewed accounting policies in this context and the amendments did not lead to changes in the accounting policies themselves.

The details of the amendments and their application have already been presented in the 2023 set of separate financial statements.



# Notes on individual financial statements

*for the financial year ended 31 december 2024*

## Accounting policies with material impact

The accounting policies presented below have been applied consistently over all periods presented within these separate financial statements.

### (A) subsidiaries and associates

Subsidiaries are entities under the control of the company. The company controls an investee when exposed or has rights to variable returns on the basis of its involvement with the investee and has the ability to influence those returns through its power over the investee. Potential or convertible voting rights that are then exercisable shall also be taken into account at the time of the valuation of the control. Associates are those companies in which the company can exercise significant influence, but not control, over financial and operational policies.

The list of subsidiaries and the list of associated entities as at 31 December 2024 and 31 December 2023 are set out in Note 22 to the separate financial statements.

In separate financial statements, investments in subsidiaries and associates are accounted for as financial assets at fair value through the profit or loss account in accordance with accounting policy 3e), except for consolidated subsidiaries (Muntenia Investment Management Company and property Management) that are accounted for as financial assets at fair value through other comprehensive income.

### (B) transactions in foreign currency

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

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

The exchange rates of the main foreign currencies were:

Currency	Spot rate	Spot rate
	31 december 2024	31 december 2023
EUR	4,9741	4,9746
USD	4,7768	4,4958

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

## (c) cash and cash equivalents

Cash comprises cash in cash and at banks and deposits on demand.

Cash equivalents are highly liquid short-term financial investments which are easily convertible into cash and which are subject to an insignificant risk of value changes.

When drawing up the cash-flow statement, cash and cash equivalents were considered to be cash, cash, current accounts with banks and deposits with an original maturity of less than 90 days.

## (D) financial assets and liabilities

**Financial instruments in accordance with IFRS 9 include the following:**

- Investments in equity instruments (shares);

On 31 December 2024 and 31 December 2023 the shares are measured at fair value through profit or loss or at fair value through other comprehensive income.

- Investments in debt instruments (bonds and loans);

On 31 December 2024 and 31 December 2023 investments in debt instruments held are measured at fair value through profit and amortized cost.

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

*For more details see the chapters below*

### i. Classification

The financial instruments held are disclosed by the company in accordance with IFRS 9 as financial assets and financial liabilities.

The company presents **financial assets** at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on:

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

### The business model

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

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

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

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

*Template of assets held for collection (amortized cost)*

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

\* SPI – payments for principal and interest only.

*Assets held for collection and sale (FVTOCI) model*

- Managed both to realize cash flows from collection and through the (full) sale of assets;
- The entity shall apply those amendments in accordance with IFRS 9. An exact numerical threshold is not specified for sales compatible with this model, but frequent sales may affect the classification.
- The purpose of these sales may be: To manage current liquidity needs, to maintain a specific structure of returns obtained, or to optimize the balance sheet of the entity (linking the duration of the financial assets to that of the financial liabilities);
- The carrying-out of these assets (assuming that the SPI criterion is also met and the fair value option through profit and loss has not been selected) is at fair value through other comprehensive income (using the effective interest method; expected interest, credit gains or losses and foreign exchange differences — in profit and loss/change in the fair value of these instruments — in other comprehensive income, amounts recognized in other comprehensive income are reclassified by profit and loss on derecognition of the asset).

*Other business model (FVTPL)*

- Assets managed for the purposes of cash flow through sale;
- The collection of the cash flows associated with these investments is incidental, is not the purpose of holding the assets to collect principal and interest;
- Assets whose performance is managed and reported on the basis of their fair value;
- The carrying amount of these investments shall be realized at fair value through the profit and loss account.

## **SPI test**

It contains criteria that assess the extent to which the cash flow structure of a debt instrument fits into the pattern of a basic lending agreement (interest reflects the amount over time of money, the credit risk associated with the principal, the hedging of other risks and costs associated with lending, and a margin of profit).

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

There are a number of indicators that indicate whether the debt instruments held should be measured at fair value through profit and loss:

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

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

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

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

A financial asset shall be measured at fair value through profit or loss, unless it is measured at amortized cost or at fair value through other comprehensive income according to the criteria set out in the applicable accounting standards (for example, the SPI criterion for financial assets).

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

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

(a) the financial asset is held under a business model whose objective is to collect contractual cash flows and sell financial assets; and

(b) the contractual terms of the financial asset give rise, on certain dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company may make an irrevocable choice on initial recognition for certain investments in *equity instruments* that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

## **Financial assets measured at amortized cost**

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

(a) the financial asset is held under a business model whose objective is to hold financial assets to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise, on certain dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **Financial liabilities**

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

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

The other financial liabilities are measured at amortized cost.

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

## *ii. Recognition*

Financial assets and liabilities shall be recognized on the date on which the company becomes a contractual party to the terms of that instrument. When the company first recognizes a financial asset, it shall classify it: At amortized cost, at fair value through profit or loss or at fair value through other comprehensive income) of IFRS 9 and measure it in accordance with IFRS 9 (a financial asset or financial liability is measured at its fair value plus, respectively, the transaction costs directly attributable to the acquisition or issue of the asset or liability.)

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

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

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

## *iii. Assessment*

After initial recognition, the company shall measure the financial assets:

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

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

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

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

## ***Fair value measurement***

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured after initial recognition less principal repayments, plus or minus the accumulated depreciation using the effective interest method for each difference between the original value and the outstanding amount, and minus any write-down for any estimated credit losses.

The effective interest rate is the rate that accurately updates future cash payments and receipts over the expected life of the financial instrument up to the level of the gross carrying amount of the financial asset that is the amortized cost of the financial liability. When calculating the effective interest rate, the company shall estimate the cash flows taking into account all contractual terms of the financial instrument, but shall not take into account future losses from the change in credit risk. The calculation shall include all commissions and points paid or received by the parties to the contract that form an integral part of the effective interest rate, transaction costs and all other premiums and discounts.

## ***Fair value measurement***

Fair value is the price that would have received when selling an asset or paid for the transfer of a liability in a normal transaction between main market participants at the measurement date or in the absence of the principal market, The most advantageous market to which the company has access on that date.

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

A financial instrument is considered to be quoted on an active market where quoted prices are immediately and regularly available from an exchange, dealer, broker, industry association, pricing service or regulatory agency, and these prices reflect real and regular transactions carried out under objective market conditions.

Shares listed on an active market are all those shares admitted to trading on the stock exchange or on the alternative market and presenting frequent transactions. The market price used to determine fair value shall be the close-out price of the market on the last trading day before the measurement date.

The fund units are valued on the basis of the net asset unit value (VUAN) as calculated by the fund manager using close-out quotes. For all funds, prices (net asset value per unit) are easily and regularly available to the company. For all funds, transactions in units take place on a regular basis under normal market conditions.

The company also considers that the frequency is sufficient given the characteristics of the asset, with the subscription and redemption intervals set by the fund manager and the transactions taking place at the quoted price (VUAN) not adjusted. The company considers that the NAV of each fund is representative of fair value at 31 december 2024.

The government bonds are valued on the basis of the available market shares of Bloomberg for the issue, multiplied by the denomination per unit.

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

Valuation techniques include techniques based on the use of observable inputs, such as the quoted price of the identical item held by another party as an asset, in a market that is not active and for assets for which observable prices are not available, valuation techniques based on discounted cash flow analysis, and other valuation methods commonly used by market participants. These include the method of comparison with similar instruments for which there is an observable market price, i.e. the percentage of the net assets of such undertakings adjusted for a minority holding discount and a liquidity-free discount, making full use of market information, based as little as possible on company-specific information. The company shall use valuation techniques that maximize the use of observable data and minimize the use of unobservable data.

Valuation techniques shall be used consistently.

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

## *iv. The identification and measurement of expected credit losses*

The entity shall recognize an adjustment for expected credit losses on a financial asset that is measured in accordance with IFRS 9 (debt instruments measured at amortized cost or at fair value through other comprehensive income), a debt arising from a lease, a loan commitment and a financial collateral arrangement.

The company applies the expected credit loss provisions to recognize the loss adjustment on assets measured at fair value through other comprehensive income (debt instruments that meet the criteria in IFRS 9 — assets held for the purpose of collecting cash flows and selling, whose cash flow is exclusively principal repayments or interest payments). The adjustment thus determined shall be recognized on the other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

This is the total amount of technical provisions calculated as a whole (other than non-life) for life other than non-life (non-life), non-life (non-life).

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

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

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

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

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

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

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

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

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

## Notes on individual financial statements

*for the financial year ended 31 december 2024*

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

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

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

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

### **v. Unrecognition**

The company derecognizes a financial asset when the rights to receive cash flows from that financial asset expire, Or when the company transferred the rights to receive the contractual cash flows of that financial asset in a transaction in which it substantially transferred all the risks and benefits of the ownership.

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

The company derecognizes a financial liability when the contractual obligations are terminated or contractual obligations are written off or expire.

The derecognition of financial assets and liabilities shall be accounted for using the weighted average cost method. This method assumes that the value of each item is calculated on the basis of the weighted average value of similar items in stock at the beginning of the period and the value of similar items purchased during the period.

### **vi. Gains and losses**

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

- a. Gains or losses on financial assets or financial liabilities classified as measured at fair value through profit or loss are recognized in profit or loss;
- b. Gains or losses on a financial asset measured at fair value through other comprehensive income are recognized in other comprehensive income.

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

- Changes in fair value (including foreign exchange) to other comprehensive income — these gains will never be recycled to the profit and loss account, even on derecognition (as opposed to FVOCI debt instruments);
- Dividend income is recognized in profit or loss.

Gains on debt instruments (bonds):

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



## Notes on individual financial statements

### *for the financial year ended 31 december 2024*

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

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

When the financial assets are depreciated or derecognized at amortized cost and through the amortization process, the company recognizes a gain or loss in the profit or loss account.

For financial assets recognized using settlement date accounting, no change in the fair value of the asset to be received during the period between the trading date and the settlement date is recognized for assets recorded at cost or at amortized cost (except impairment losses). For assets accounted for at fair value, however, the change in fair value shall be recognized in profit or loss or in equity, as applicable.

#### **(E) other financial assets and liabilities**

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

#### **(F) tangible assets**

##### **i. Recognition and measurement**

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

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

##### **vii.ii. Valuation after recognition**

After recognition as an asset, items of property, plant and equipment that can be reliably measured in fair value are accounted for at a revalued amount, this being fair value at the revaluation date less any subsequent accumulated depreciation and any accumulated impairment losses. Other tangible assets are measured at cost less accumulated depreciation and any impairment losses.

Remeasurements shall be made regularly to ensure that the carrying amount does not differ significantly from what would have been determined by using fair value at the end of the reporting period.

If an item of property, plant and equipment is revalued, then the whole class of property, plant and equipment to which that item belongs shall be revalued.

If the carrying amount of an asset is increased as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity as a revaluation surplus.

However, the mark-up will be recognized in profit or loss to the extent that it compensates for a decrease from the revaluation of the same asset previously recognized in profit or loss.

If the carrying amount of an asset is impaired as a result of a revaluation, this reduction shall be recognized in profit or loss.

However, the discount will be recognized in other comprehensive income to the extent that the revaluation surplus presents a creditor balance for that asset. Transfers from revaluation surplus to retained earnings shall not be made through profit or loss.

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

## **vii.iii. Subsequent costs**

Subsequent costs of tangible fixed assets shall be assessed in the light of the general criterion for the recognition of tangible assets, namely:

- Whether the future economic benefits associated with the asset are likely to be input;
- Whether these costs can be measured credibly.

The daily maintenance costs ("Repair and maintenance expenses") of tangible assets are not capitalized; they are recognized as costs of the period in which they occur. These costs consist mainly of labor and consumables, and may also include the cost of low value components.

Charges for the maintenance and repair of tangible fixed assets shall be recorded in the profit or loss account when they arise, and significant improvements to tangible fixed assets which increase their value or life, or which significantly increase their ability to generate economic benefits, shall be capitalized.

## **vii.iv. Cushioning**

Depreciation is calculated for the cost of the asset or another value that replaces the cost less the residual value. Depreciation shall be recognized in the profit or loss account using the linear method for estimated useful life of tangible assets.

The estimated useful lives for the current period and for the comparative periods are as follows:

Construction	10-50 years
Equipment, technical installations and machinery	3-30 years
Means of transport	4-12 years
Furniture and other property, plant and equipment	3-20 years

Depreciation methods, estimated useful life as well as residual values shall be reviewed by the management at each reporting date.

## **(v) the sale/disposal of tangible assets**

The carrying amount of an item of property, plant and equipment is derecognized (removed from the statement of financial position) on disposal or when no future economic benefit is expected from its use or disposal.

Tangible assets that are scrapped or sold are removed from the balance sheet together with the corresponding accumulated depreciation. Any profit or loss resulting from such a transaction shall be included in the current profit or loss account.

## **(G) investments in real estate**

An investment property is real estate (land, building or part of a building) owned by the company rather to obtain rental income or to increase the value of capital (as is the case with the company), or both, except for use in the production or supply of goods or services or for administrative purposes or to be sold in the normal course of business.

### **(i) recognition**

An investment property shall be recognized as an asset if, and only if, the future economic benefits associated with the investment property are likely to accrue to the investment property and the cost of the investment property can be measured reliably.

## Notes on individual financial statements

*for the financial year ended 31 december 2024*

### **(ii) assessment**

#### *Measurement on recognition*

An investment property shall initially be valued at cost, including transaction costs. The cost of an investment property purchased includes its purchase price plus any directly attributable expenses (e.g. professional fees for the provision of legal services, fees for the transfer of ownership and other transaction costs).

#### *Valuation after recognition*

#### *Fair value model*

After initial recognition, all investments in real estate are measured at fair value, except where fair value cannot be reliably determined on a continuous basis.

In exceptional circumstances where, at the time of the first purchase of an investment property, there is clear evidence that the fair value of the investment property cannot be reliably determined on a continuous basis, the firm shall measure that investment property using the cost model. All other investments in real estate are measured at fair value. If the entity has previously measured an investment property at fair value, then it will continue measuring that investment property at fair value until the disposal.

Gains or losses arising from changes in the fair value of investments in property are recognized in the profit or loss for the period during which they occur.

The fair value of investment property shall reflect market conditions at the end of the reporting period.

### **(iii) recognition**

The carrying amount of an investment property is derecognized (eliminated from the statement of financial position) at the time of disposal or when the investment is definitively withdrawn from use and no future economic benefits are expected to arise from its disposal.

Gains or losses on disposal or disposal of an investment property shall be recognized in profit or loss during the period of disposal or disposal.

## **(H) impairment of non-financial assets**

The carrying amount of the company's non-financial assets other than deferred tax assets shall be reviewed at each reporting date to identify the existence of impairment signs. Where such indications exist, the recoverable amount of the assets in question shall be estimated.

An impairment loss is recognized when the carrying amount of its cash-generating asset or unit exceeds the recoverable amount of the cash-generating asset or unit.

A cash-generating unit is the smallest identifiable group that generates cash and is independent of other assets and groups of assets. Impairment losses shall be recognized in the profit and loss account.

The recoverable amount of an asset or a cash-generating unit is the maximum of its value in use and its fair value less the costs of selling that asset or unit. For the determination of the net use value, future cash flows are discounted using a pre-tax discount rate reflecting current market conditions and risks specific to the asset.

The amount of cash outflows reported in item 1.3, which derives from non-trading non-derivative financial assets measured at fair value through profit or loss. The impairment loss shall be resumed if there has been a change in the estimates used to determine the recovery value. The carrying amount of the asset shall be reported in this item.

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

## **(i) share capital and own shares**

Ordinary shares are recognized in the capital. The incremental costs directly attributable to an issue of ordinary shares are deducted from the capital net of the effects of taxation.

For the purposes of preparing IFRS-compliant individual financial statements, the company also applied the provisions of IAS 29 'Financial Reporting in hyperinflationary economies' adjusting the share capital to be expressed in the current unit of measurement on 31 December 2003.

The company recognizes the redemptions of equity shares at the trade date as a reduction in equity. Repurchased equity shares are recorded at acquisition value, brokerage commissions and other costs directly related to the acquisition being recognized in a separate account as also a reduction in equity. The cancellation of its own shares shall be subject to the approval of the shareholders, subject to all legal requirements relating to the operation. On derecognition, the company uses the share capital accounts (for nominal value), i.e. retained earnings (for the difference between acquisition cost and nominal value) against the canceled own shares.

## **(J) provisions for liabilities and charges**

Provisions shall be recognized in the statement of financial position where a past-event obligation arises for the undertaking and it is likely that in the future it will be necessary to consume economic resources to discharge this obligation and a reasonable estimate of the amount of the obligation may be made. For the purpose of determining the provision, future cash flows shall be discounted using a pre-tax discount rate reflecting current market conditions and risks specific to that liability. The amount recognized as a provision constitutes the best estimate of the expenses required to settle the current obligation at the end of the reporting period.

## **(k) income and interest charges**

Income and interest expenses are recognized in the separate statement of profit or loss by the effective interest method. The effective interest rate is the rate that accurately updates future cash payments and receipts over the expected life of the financial instrument up to the level of the gross carrying amount of the financial asset that is the amortized cost of the financial liability. Interest income shall include the financing component of a contract for the disposal of financial assets, if significant and resulting, implicitly or explicitly, from the terms of the contract.

## **(l) income from dividends**

Dividends on an equity instrument classified at fair value through other comprehensive income at that fair value through profit or loss are recognized in profit or loss when the entity's right to receive those amounts is determined. Unless these amounts represent a substantial return on the cost of the investment, in accordance with IFRS 9.

The company does not register dividend income on shares received free of charge when they are distributed proportionally to all shareholders.

Dividend income is recorded gross value including tax on dividends (2024 : 8%, 2023: 5% and 27,5%) , which is recognized as a current expense on corporate tax. Their accounting recognition is made after the date of registration, which identifies the shareholders on which the resolutions of the general meeting of shareholders are passed, having regard to the number of shares held by the company at the date of registration and the gross dividend/share approved by those resolutions.

## **(M) employee benefits**

### ***(i) short-term benefits***

Short-term employee benefit obligations are not updated and are recognized in the statement of comprehensive income as the related service is provided.

Short-term employee benefits include wages, bonuses and social security contributions. Short-term employee benefits are recognized as an expense when services are provided.

## **Notes on individual financial statements**

***for the financial year ended 31 december 2024***

### ***(ii) defined contribution plans***

The company makes payments on behalf of its employees to the Romanian state pension system, the health insurance, in the course of normal activity. The company also retains and transferred to the private pension funds the amounts with which the employees signed an optional pension plan.

All the employees of the company are members and also legally obliged to contribute (through social contributions) to the Romanian State's pension system (a defined contribution plan of the State). All related contributions shall be recognized in the profit or loss account of the period when they are made. The company has no other additional obligations.

The company is not engaged in any independent pension scheme and therefore has no other obligations in this respect. The company shall not be required to provide subsequent services to former or current employees.

### ***(iii) long-term employee benefits***

The net liability of the company in respect of the long-term service benefits is the amount of future benefits that the employees have earned in return for the services provided by them in the current and prior periods. Under the collective employment agreement in force, people retiring at the age limit can benefit at the time of their retirement from an aid amounting to five average net wages per society.

The present value of this obligation is not significant and therefore the company did not recognize these future costs as a provision in these financial statements.

### ***(iv) share-based payment and share option plan***

According to IFRS 2, for share-based payment transactions, the company shall measure the goods or services received and the corresponding increase in equity directly at the fair value of the goods or services received, unless fair value cannot be reliably estimated. If the company cannot reliably estimate the fair value of the goods or services received, the company shall measure their value and the corresponding increase in indirect equity by reference to the fair value of the equity instruments granted. In order to apply these provisions to transactions with employees and other persons providing similar services, the company must measure the fair value of the services received by reference to the fair value of the equity instruments granted, because it is generally not possible to estimate reliably, the fair value of the services received. The fair value of those equity instruments shall be measured at the date of granting.

A grant of equity instruments may be conditional upon the specific vesting conditions being satisfied. For example, a grant of shares or share options to an employee is generally conditional on the employee remaining in the entity's service for a specified period of time. Performance requirements may be required, such as a company achieving a specified increase in profit or a specified increase in the price of the entity's shares. Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the valuation of the transaction value so that ultimately, the amount recognized for the goods or services received as a counterpart for the equity instruments awarded shall be based on the number of equity instruments that eventually vesting. Therefore, on a cumulative basis, no value is recognized for the goods or services received if the equity instruments awarded do not vesting due to the failure to meet a vesting condition, for example, partner does not complete the specified service period or a performance condition is not met.

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

## **(N) income tax**

### ***Reflected in the statement of financial position***

Income tax includes current and deferred tax.

Income tax is recognized in profit or loss or other comprehensive income if the tax is on capital items.

The company recognizes a deferred income tax liability (deferred) for temporary (deductible) fair value differences in equity investments measured at fair value through other comprehensive income. The amount of this liability/receivable is appropriately adjusted whenever differences in taxable (deductible) fair value are recognized.

Deferred tax is determined using the balance sheet method for those temporary differences that arise between the tax base for the calculation of the tax on assets and liabilities and their carrying amount used for reporting in separate financial statements.

Deferred tax shall not be recognized for the following temporary differences: Initial recognition of goodwill, initial recognition of assets and liabilities arising from transactions that are not combinations of undertakings and do not affect neither accounting nor tax profits, and differences arising from investments in subsidiaries and associates, provided that they are not resumed in the near future. Deferred tax is calculated on the basis of tax percentages that are expected to be applicable to temporary differences upon their reversal, based on legislation in force at the reporting date or legislation issued at the reporting date and which will enter into force thereafter.

Deferred tax liability is recognized only to the extent that it is likely that future taxable profit will be obtained after offsetting against the tax loss of previous years and the income tax to be recovered. The deferred tax asset is impaired to the extent that the related tax benefit is unlikely to be realized.

The calculated deferred tax assets and deferred tax liabilities are shown net in the separate financial statements of the company.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets and liabilities that relate to taxes levied by the same tax authority, the same taxable entity or different tax entities, but who intend to offset current tax claims and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

### ***Reflected in the statement of profit or loss***

Current income tax also includes tax on income from dividends recognized at gross value.

Additional taxes arising from the distribution of dividends are recognized on the same date as the liability to pay dividends.

Current tax is the tax payable on profits realized in the current period, determined on the basis of the percentages applied on the balance sheet date and all adjustments relating to the preceding periods.

On 31 December 2024 and 31 December 2023, the income tax was 16%.

## **(O) the result per share**

The company shall present the result per share of the base and diluted for ordinary shares. The result per share shall be determined by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares over the reporting period. The result per diluted share shall be determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares with the dilution effects generated by potential ordinary shares.

## **(p) dividends**

Dividends are treated as a profit distribution during the period in which they were declared and approved by the General meeting of shareholders.

Dividends which have not been retained for three years and for which the right to ask for them has been prescribed shall be recorded in equity under other reserves — analytically distinct .

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

## **(O) adopting new or revised standards and interpretations**

### **New IFRS accounting standards and amendments to existing standards that are effective for the current year:**

In the current year, the company applied a number of amendments to the IFRS accounting standards issued by the International accounting standards Board (IASB) and adopted by the European Union which entered into force for the reporting period starting on or after 1 January 2024. Their adoption has not had a significant impact on the disclosures or amounts reported in these individual financial statements:

Amendments to IAS 1 — classification of liabilities into short-term and long-term liabilities and long-term liabilities with financial indicators;

Amendments to IAS 7 and IFRS 7 - financing agreements with suppliers;

Amendments to IFRS 16 — lease liabilities in a sale and leaseback transaction.

### **New IFRS accounting standards and amendments to existing standards issued and adopted by the EU but not yet in force**

At the time of approval of these separate financial statements, the company did not apply the following amended IFRS accounting standards that were issued by the IASB and adopted by the EU but have not yet entered into force:

Amendments to IAS 21 — No convertibility.

### **New IFRS accounting standards and amendments to existing standards issued but not yet adopted by the EU**

At present, IFRS as adopted by the EU do not differ significantly from IFRS adopted by the International accounting standards Board (IASB), except for the following new standards and amendments to existing standards, which were not adopted by the EU at the time of authorization of these separate Financial statements:

Amendments to IFRS 9 and IFRS 7 - amendments to the classification and measurement of financial instruments ( IASB effective date: 1 January 2026);

Amendments to IFRS 9 and IFRS 7 — contracts that relate to electricity dependant on natural conditions;

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 — annual improvements to IFRS accounting standards — volume 11 (IASB effective date: 1 January 2026);

IFRS 18- presentation and disclosure of information in financial statements (effective date set by IASB: 1 January 2027);

IFRS 19 - non-public subsidiaries: Disclosures (effective date set by IASB: 1 January 2027);

IFRS 14 - deferred accounts related to regulated activities (effective date set by: 1 January 2016);

Amendments to IFRS 10 and IAS 28—sale of or contribution with assets between an investor and its associates or joint ventures and subsequent amendments (effective date was deferred indefinitely by the IASB but early application is permitted).

The company anticipates that the adoption of these new standards and amendments to existing standards will not have a significant impact on the company's individual financial statements in the future.

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the company's estimates, the use of hedge accounting in a portfolio of financial assets and liabilities according to IAS 39 Financial instruments: Recognition and measurement would not materially affect the individual financial statements if applied at the balance sheet date.

## **(r) events after the balance sheet date**

Events that occur after the balance sheet date may provide additional information relating to the reported period compared to those known at the balance sheet date. If the annual financial statements have not been approved, they must be adjusted to reflect additional information if that information relates to conditions (events, operations, etc.) that existed at the balance sheet date.

Post-balance-sheet events are those events, whether favorable or unfavorable, that occur between the balance-sheet date and the date on which the annual financial statements are approved. Post-balance sheet events shall include all events that occur until the date on which the annual financial statements are approved, even if those events occur after the disclosure of financial information to the public.

Two types of post-balance sheet events can be identified:

those proving the conditions that existed on the balance sheet date. These post-balance sheet events shall lead to the adjustment of the annual financial statements; and  
those giving indications of conditions occurring after the balance sheet date. These events after the balance sheet date do not lead to an adjustment of the annual financial statements.

## **(S) non-financial climate information and the impact of climate risks on asset depreciation**

In the context of the European Union's objective of achieving climate neutrality by 2050, society recognizes the need for significant investment and the mobilization of capital to economic sectors that can facilitate the transition to a sustainable model. In this respect, some of the society's sustainability efforts have focused on integrating the ESG (Environment, Social and governance) principles into its current activities. The company also assessed the impact of climate risks on its assets, including the associated depreciation risks, and took appropriate measures to manage them.

The company's tangible assets, classified as both tangible assets and investment property (shown in the notes to the financial statements), are amortized in accordance with the applicable legal and accounting rules. Their periodic revaluation, for the purposes of fair value measurement, carried out in accordance with the applicable valuation standards, shall also take into account the risks associated with the holding or operation of those assets. The assets held by the company and reflected as tangible assets or investments in real estate have not suffered any depreciation in value that would represent the effect of climate change and the impact of which would be recognized in the financial statements prepared by the company.

### *Provisions, accounting treatment of contracts for the purchase of electricity*

The company has not concluded and has no contracts for the purchase of electricity other than those signed as final consumer to ensure the operation of the operational activity carried out at the company's main office and at the branch in Bucharest. Consequently, the company did not recognize provisions in this respect. Both in previous financial years and in the financial year ended 31 December 2024, the share of energy costs in the company's total operating expenses was low.



# Notes on individual financial statements

*for the financial year ended 31 december 2024*

## **(T) the impact of the conflict in Ukraine on individual financial statements**

The company has no investments or exposures in the area of the military conflict in Ukraine. The impact on the company's assets and financial performance is linked to unforeseeable developments in financial markets, significant fluctuations in the value of certain asset categories, significant changes in fair value in the equity interests of issuers experiencing disruption in the raw material supply chain, increase in operating costs or increase in energy costs. These issues have been reflected in the level 1 fair value changes during the year, in the interim reporting, and in these financial statements, in the assumptions used in determining the level 3 fair value applied to unlisted or unactive market holdings.

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

### *Employee benefits*

The company did not register exceptional variations in employee benefits that would be the effect of the current macroeconomic environment. Any changes in the level of employee remuneration shall be the result of regular negotiations between the management of the company and employees' representatives, under the conditions laid down in the applicable legal regulations.

The company's tangible assets, classified as both tangible assets and investment property (shown in the notes to the financial statements), are amortized in accordance with the applicable legal and accounting rules. The periodic revaluation thereof, for the purposes of fair value highlighting, carried out in accordance with the applicable valuation standards, shall take into account the macroeconomic context at the date of the valuation and any trends that may affect the explicit forecast period. Assets held by the company and reflected as tangible assets or investments in real estate did not suffer value impairments which would represent the effect of the current macroeconomic environment and whose impact would be recognized in the company's individual financial statements.

### *Expected credit losses*

The company has assessed the need to recognize expected credit losses in accordance with IFRS using the simplified expected credit loss model ("ECL"). The estimation was based on the probability of payment, risk exposure and expected loss analysis, taking into account the information available at the reporting date.

This analysis has led to the determination that expected credit losses do not have an impact on individual financial statements. Compared to previous periods, there were no significant changes in the estimates of LECs that would justify further adjustments. The details of those financial instruments shall be disclosed in the notes on the financial statements, in the sections relating to the risks to which the company is exposed, and in the notes detailing the property positions which include those assets.

## **Managing significant risks**

The risk management activity is part of the company's organizational structure and covers both general and specific risks as required by applicable national and European laws and regulations.

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

The company uses a variety of policies and procedures to manage and assess the types of risk to which it is exposed. These policies and procedures are outlined in the sub-chapter on each type of risk.

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

## 4.1 Financial risks

### a. Market risk

Market risk is the current or future risk of loss on balance sheet and off-balance sheet positions due to adverse market price fluctuations (e.g. stock prices, interest rates, foreign exchange rates). The management of the company sets acceptable risk limits, which are regularly monitored.

Position risk is associated with the portfolio of financial instruments held by the company with the intention of benefiting from favorable price developments of those financial assets or from any dividends/coupons issued by issuers. The company is exposed to position risk, both general and specific, due to short-term investments in bonds, shares and units.

The management has pursued and is continuously seeking to minimize the potential adverse effects associated with this financial risk through an active policy of prudential portfolio diversification, And by using one or more risk mitigation techniques depending on the evolution of market prices of the financial instruments held by the company.

### Concentration risk

Concentration risk concerns all assets held by the company, irrespective of the period of its holding, and the purpose of reducing this type of risk is to avoid too much exposure to a single obligor/issuer at the company level.

The management policy for the diversification of exposures shall apply to the portfolio structure, the structure of the business model and the structure of financial risk exposures. Thus, this diversification policy involves: Diversification of the portfolio by avoiding excessive exposure to a debtor, issuer, country or geographical region; diversification of the business plan structure aims at the level of the company to avoid excessive exposure to a particular business line/business sector; the diversification of the financial risk structure shall aim at avoiding excessive exposure to a particular type of financial risk.

The market risk of the equity instruments results predominantly from shares measured at fair value through other comprehensive income and the profit or loss account. Entities in which the company holds shares operate in various industries.

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

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

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

#### *(i) the pre- tax risk of equity*

Price risk is the risk of loss due to developments in asset prices.

The undertaking is at risk that the fair value of the financial instruments held will fluctuate as a result of changes in market prices, whether caused by factors specific to the issuer's business or factors affecting all instruments traded in the market.

The Management Board shall monitor the conduct of the management of market risk and internal procedures shall provide that, where price risks are not consistent with investment policy and company principles, a portfolio rebalance shall be carried out.

A positive change of 10% in the price of financial assets at fair value through the profit and loss account (subsidiary shares, associates, bonds and units of funds) would lead to an increase in profit after tax by lei 137.184.314 (31 December 2023: lei 175.932.492), a negative variation of 10% having a similar but opposite impact.

A positive change of 10% in the prices of financial assets measured at fair value through other comprehensive income, investments in shares, would result in an increase in equity, net of income tax, by

## Notes on individual financial statements

### for the financial year ended 31 december 2024

lei 74.047.634 (31 December 2023: lei 159.234.850 ), a negative variation of 10% having a similar but opposite impact.

The company has shares in companies operating in different sectors of activity, as follows:

As can be seen from the table below, on 31 December 2024, the company held a majority of shares in companies active in financial, banking and insurance, with a share of 51,8% of the total portfolio, up from the 45,7% share recorded on 31 December 2023.

In ROL	31 december 2024	%	31 december 2023	%
Financial intermediation and insurance	1.966.391.133	51,8%	1.559.710.690	45,7%
Financial services applicable to real estate	799.724.938	21,1%	491.588.829	14,4%
Manufacturing	531.428.464	14,0%	890.185.701	26,1%
Mining and quarrying	251.752.575	6,6%	203.994.153	6%
Hotels and restaurants	98.666.643	2,6%	178.795.162	5,2%
Rental of real estate	76.079.976	2,0%	8.021.176	0,2%
Transport and storage	42.431.866	1,1%	46.044.950	1,3%
Production and supply of energy, gas, water	27.450.000	0,7%	28.800.000	0,8%
Construction	4.463.516	0,1%	4.377.211	0,1%
Wholesale and retail trade, repair of motor vehicles	206.465	0,0%	230.430	0,0%
Agriculture, forestry and fishing	-	0,0%	39.615	0,0%
<b>TOTAL</b>	<b>3.798.595.576</b>	<b>100,0%</b>	<b>3.411.787.916</b>	<b>100,0%</b>

On December 31, 2024, the company owns 316.965.914 lei (December 31, 2023: Lei 395.546.142) of the following investment funds: ASSETS PLUS (alternative Investment Fund with private equity), OPTIMINVEST (alternative Investment Fund with private equity), STAR VALUE, CESTINVEST SHARES, ROMANIA STRATEGY FUND. The company is exposed to price risk in terms of investments made (listed shares, bonds, bank deposits) with a different degree of risk by these investment funds.

#### (ii) interest rate risk

Interest rate risk is the risk that income or expenses, or the value of the company's assets or liabilities, will fluctuate as a result of changes in market interest rates.

In the case of interest-bearing financial instruments: The interest-rate risk is composed of the risk of fluctuation in the value of a given financial instrument due to changes in interest rates and the risk of differences between the maturity of interest-bearing financial assets and interest-bearing liabilities. However, interest rate risk may also affect the value of fixed interest-bearing assets (e.g. bonds) by lowering fair value, so an increase in the market interest rate will reduce the value of future cash flows generated by them and may lead to a reduction in their price, if it increases investors' preference to place their funds in bank deposits or other instruments whose interest rate has increased, and vice versa, a reduction in the market interest rate may increase the price of shares and bonds and will increase the fair value of future cash flows.

With regard to fixed interest-bearing assets or marketable assets, the company is at risk that the fair value of future cash flows on financial instruments will fluctuate as a result of changes in market interest rates.

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

The company does not use derivatives to protect itself from interest rate fluctuations.

## Notes on individual financial statements

### for the financial year ended 31 december 2024

The following table illustrates the annual interest rates obtained by the company for interest-bearing assets during 2024:

Financial assets	RON Range		ANNEX Range	
	Min	Max	Min	Max
Bank deposits	3,85%	5,55%	2,8%	3,1%
Financial assets at fair value through profit and loss*	-	-	6,3%	7,4%

\* Within financial assets at fair value through the profit or loss account, two loans in euro granted in 2024 and 2022 to subsidiaries are included.

The following table illustrates the annual interest rates obtained by the company for interest-bearing assets during 2023:

Financial assets	RON Range		ANNEX Range	
	Min	Max	Min	Max
Bank deposits	4,86%	6,75%	2,8%	3,0%
Financial assets at fair value through profit and loss*	4,3%	10,2%	5,06%	5,06%

\* Financial assets at fair value through the profit or loss account include bonds issued in lei by a subsidiary and the euro loan granted in 2022 to a subsidiary.

The company faces the interest rate risk due to its exposure to unfavorable interest rate fluctuations. The change in market interest rates for ROBOR and EURIBOR directly influences the income and expenditure on the financial assets and liabilities bearing variable interest rates and the market value of those bearing fixed interest rates. On 31 December 2024 and 31 December 2023, most of the company's assets and liabilities are not interest-bearing. As a result, the company is not significantly affected directly by the risk of interest rate fluctuations. Cash and cash equivalents are generally invested at short-term interest rates. However, the fall in market yields may affect the valuation value of the assets held by the company.

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

In RON	2024	2023
Cash and cash equivalents*	607.728.000	406.482.143
Financial assets at fair value through profit and loss — Corporate bonds	-	37.612.296
Financial assets at fair value through profit and loss — loans granted	56.707.569	31.840.269
Financial assets at amortized cost — bonds	1.243.601	-
<b>TOTAL</b>	<b>665.679.170</b>	<b>475.934.709</b>

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

Impact on the company's net profit (on interest income) a change of  $\pm 1,00\%$  in the interest rate on variable interest-bearing assets and liabilities denominated in other currencies in conjunction with a change of  $\pm 1,00\%$  in the interest rate on floating interest-bearing assets and liabilities denominated in lei is lei 339.496 (31 december 2023: lei 242.727).

## Notes on individual financial statements

for the financial year ended 31 december 2024

### (iii) foreign exchange risk

Foreign exchange risk is the risk of incurring losses or of not making the expected profit due to adverse exchange rate fluctuations. The company invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, thus it is exposed to the risk that the exchange rate of the national currency in relation to another currency will have adverse effects on the fair value or future cash flows of that portion of the financial assets and liabilities denominated in another currency.

The company made transactions in the reporting periods in both Romanian (Leu) and foreign currency. The Romanian currency fluctuated compared to foreign currencies, THE EURO and the US dollar.

The financial instruments used enable the value of the monetary assets held in lei to be conserved by making investments and collecting interest on a maturity basis.

The company did not carry out any foreign exchange derivative transactions during the financial years submitted.

The financial assets and liabilities of the company in lei and currencies at 31 December 2024 and 31 December 2023 can be analyzed as follows:

#### Financial assets at foreign exchange risk (EUR/USD/GBP in RON)

In RON	2024	2023
Cash and cash equivalents	376.012	200.626.294
Financial assets at fair value through profit or loss account — (including assets held by investment funds)*	59.972.121	55.336.625
Financial assets at amortized cost	1.243.601	-
<b>Total assets</b>	<b>61.591.734</b>	<b>255.962.919</b>
Lease liabilities	(2.247.505)	(258.500)
<b>Total liabilities</b>	<b>(2.247.505)</b>	<b>(258.500)</b>
<b>Net financial assets</b>	<b>59.344.229</b>	<b>255.704.419</b>

\* Financial assets at fair value through the profit or loss account include loans in euro (granted in 2024 and 2022) and foreign exchange holdings of closed investment funds in proportion to the holding of the company in their net assets.

On 31 December 2024 and 31 December 2023, the company had units in assets PLUS (alternative private equity Investment Fund), OPPTIMINVEST (alternative private equity Investment Fund), STAR VALUE, CENTINVEST SHARES (Alternative investment fund of open type), ROMANIA STRATEGY FUND. The company is exposed to foreign exchange risk in terms of investments made by these investment funds (financial instruments quoted on foreign markets, available or foreign currency investments).

On 31 December 2024 and 31 December 2023 respectively, the assets of private equity funds constituted mainly equity investments on a regulated market in Romania and other EU Member States.

The following table shows the sensitivity of profit or loss as well as equity to possible changes at the end of the reporting period of foreign exchange rates in accordance with the reporting currency, keeping all other variables constant:

	31 december 2024		31 december 2023	
	The impact in the profit and loss account	Impact on other comprehensive income	The impact in the profit and loss account	Impact on other comprehensive income
Appreciation EUR 5% (2023: 5%)	151.328	-	652.046	-
EUR 5% depreciation (2023: 5%)	(151.328)	-	(652.046)	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes on individual financial statements

for the financial year ended 31 december 2024

## b. Credit risk

Credit risk is the risk that a counterparty of a financial instrument fails to fulfill an obligation or financial commitment in which it has entered into a relationship with the company, thus resulting in a loss for the company. The company is exposed to credit risk as a result of investments in bonds issued by companies or the Romanian State, current accounts and bank deposits and other claims.

The management of the company closely and constantly monitors the exposure to credit risk in such a way that it does not suffer losses as a result of the concentration of credit in a particular sector or field of activity.

On 31 December 2024 and 31 December 2023, it has no collateral as insurance or other credit rating improvements.

On 31 December 2024 and 31 December 2023, the company did not record financial assets outstanding, except for some balances from various debtors which were considered impaired.

The company has assessed the need to recognize expected credit losses in accordance with IFRS using the simplified expected credit loss model (ECL). The estimation was based on the probability of payment, risk exposure and expected loss analysis, taking into account the information available at the reporting date.

This analysis has led to the determination that expected credit losses do not have an impact on the financial statements. Compared to previous periods, there were no significant changes in the estimates of LECs that would justify further adjustments.

The following are the financial assets with credit risk exposure:

31 december 2024	Current accounts	Bank deposits	Loan granted	Bonds (measured at fair value through profit and loss account)	Other financial assets	Total
AAA to A- rating						
AAA+						
BBB+	353.782	56.560.000				56.913.782
BBB	18.810					18.810
BBB-	789.127	247.000.000				247.789.127
BB+						
BBB	14.817	304.168.000				304.182.817
Baa2						
No rating			56.707.569		33.778.620	90.486.190
<b>TOTAL</b>	<b>1.176.537</b>	<b>607.728.000</b>	<b>56.707.569</b>		<b>33.778.620</b>	<b>699.390.727</b>

31 december 2023	Current accounts	Bank deposits	Loan granted	Bonds (measured at fair value through profit and loss account)	Other financial assets	Total
AAA to A- rating						
AAA+						
BBB+	725.245	165.500.000				166.225.245
BBB	389.945	41.077.842				41.467.787
BBB-	20.056					20.056
BB+	24.233	199.904.301				199.928.534
BBB						
Baa2						
No rating			31.840.269	38.185.926	730.106	70.756.302
<b>TOTAL</b>	<b>1.159.478</b>	<b>406.482.143</b>	<b>31.840.269</b>	<b>38.185.926</b>	<b>730.106</b>	<b>478.397.923</b>

## Notes on individual financial statements

### for the financial year ended 31 december 2024

The maximum exposure to the company's credit risk is lei 699.390.727 at 31 December 2024 (December 31, 2023: Lei 478.397.923). The following tables show the most important components at risk:

	Credit rating	The parent undertaking	Source	31 december 2024	31 december 2023
BRD – Groupe Société Générale	BBB+	BRD – Groupe Société Générale	Fitch	1.941	2.312
Banca Transilvania	BBB-	Banca Transilvania	Fitch	247.789.127	166.225.245
The Romanian commercial Bank	BBB+	The Romanian commercial Bank	Fitch	56.910.854	41.425.969
Bank CEC	BBB	Bank CEC	Fitch	6.327	199.928.534
Bank of Greece	BBB	EXIM Bank Romania	Fitch	304.176.490	39.506
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italy	Fitch	18.810	19.842
UniCredit Tiriatic	BBB+	UniCredit Tiriatic	Fitch	988	214
<b>TOTAL (Note 13)</b>				<b>608.904.537</b>	<b>407.641.621</b>

\*For banks for which there is no rating we have taken into account the rating of the parent company

Cash, cash equivalents and bank deposits are not in danger of being lost or reduced in value.

From the category other financial assets, mainly various debtors in value of lei 33.190.738 (lei 31 December 2023: 1.380.687) are not past due or impaired receivables.

On 31 December 2024 and 31 December 2023, the company considers the value of the claims (within various debtors) to be written down in the amount of lei 717.477 (31 December 2023: Lei 717.477) representing dividends and penalties due from the portfolio companies and not collected in previous periods.

#### (c) liquidity risk

Liquidity risk is the risk that the company will encounter difficulties in meeting its obligations arising from short-term financial liabilities, which go out of cash or other financial means, or that such obligations will be extinguished in a manner unfavorable to the company.

The company shall monitor the evolution of the level of liquidity so that it can meet its obligations on the date on which they become due, and shall continuously analyze the assets and liabilities in the light of the period remaining until the contractual maturities.

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

The asset and liability structure was analyzed on the basis of the period remaining from the balance sheet date to the contractual maturity date, both on 31 December 2024 and on 31 December 2023, as follows:

*In ROL*

	Accounting value	Under 3 months	Between 3 and 12 months	More than 1 year	No pre- established maturity
<b>31 december 2024</b>					
<b>Financial assets</b>					
Cash and cash equivalents	612.916.069	612.916.069	-	-	-
Financial assets at fair value through the profit and loss account	1.732.319.946	-	-	59.676.154	1.672.643.792
Financial assets measured at fair value through other comprehensive income	2.442.917.696	-	-	-	2.442.917.696
Financial assets measured at amortized cost	1.257.518	-	-	1.257.518	-
Other financial assets	33.238.579	15.948.582	521.683	15.426.899	1.341.416
<b>Total financial assets</b>	<b>4.822.649.808</b>	<b>628.864.651</b>	<b>521.683</b>	<b>76.360.571</b>	<b>4.116.902.904</b>
<b>Financial liabilities</b>					
Dividends to be paid	9.816.739	-	-	-	9.816.739
Other financial liabilities	2.898.559	2.898.559	-	-	-
Lease liabilities	2.247.505	56.188	505.689	1.685.629	-
<b>Total financial liabilities</b>	<b>14.962.803</b>	<b>2.954.747</b>	<b>505.689</b>	<b>1.685.629</b>	<b>9.816.739</b>
<b>Excess liquidity</b>	<b>4.807.687.006</b>	<b>625.909.904</b>	<b>15.994</b>	<b>74.674.943</b>	<b>4.107.086.165</b>

*In ROL*

	Accounting value	Under 3 months	Between 3 and 12 months	More than 1 year	No pre- established maturity
<b>31 december 2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	408.814.516	408.814.516	-	-	-
Financial assets at fair value through the profit and loss account	1.900.476.975	38.185.926	-	32.288.814	1.830.002.235
Financial assets measured at fair value through other comprehensive income	1.977.331.822	-	-	-	1.977.331.822
Other financial assets	1.447.583	1.447.583	-	-	-
<b>Total financial assets</b>	<b>4.288.070.897</b>	<b>448.448.026</b>	<b>-</b>	<b>32,288,814</b>	<b>3.807.334.057</b>
<b>Financial liabilities</b>					
Dividends to be paid	9.886.856	9.886.856	-	-	-
Other financial liabilities	12.402.436	12.402.436	-	-	-
Lease liabilities	258.500	71.367	187.133	-	-
<b>Total financial liabilities</b>	<b>22.547.792</b>	<b>22.360.659</b>	<b>187.133</b>	<b>-</b>	<b>-</b>
<b>Excess liquidity</b>	<b>4.265.523.105</b>	<b>426.087.366</b>	<b>(187.133)</b>	<b>32.288.814</b>	<b>3.807.334.057</b>



# Notes on individual financial statements

*for the financial year ended 31 december 2024*

The proportion of immediately available liquidity (cash and cash equivalents) is increasing compared to the previous year and there is a liquidity surplus for each relevant maturity/chargeability category as shown in the table above. Liquidity risk remains heavily influenced by the liquidity of the local capital market, i.e. the ratio between the size of the main listed holdings of the company and their average daily liquidity.

## 4.2 other risks

By the nature of the business, the company is exposed to different types of risks associated with the financial instruments and the market in which it invests. The main types of risks to which the undertaking is exposed are:

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

Risk management aims at maximizing the company's profit in relation to the level of risk to which it is exposed.

The company uses a variety of policies and procedures to manage and assess the types of risk to which it is exposed. These policies and procedures are outlined in the sub-chapter on each type of risk.

### (A) the risk associated with taxation

As of 1 January 2007, following Romania's accession to the European Union, the company had to comply with EU regulations, and consequently prepared for applying the changes brought by European legislation. The company has implemented these changes, but the way they are implemented remains open to tax audit for 5 years.

The interpretation of the texts and the practical implementation of the procedures of the new tax rules applicable could vary and there is a risk that in certain situations the tax authorities will take a different position from that of society.

In terms of income tax for the financial year 2015, there is a risk that tax bodies will interpret the accounting treatment of the transition to IFRS as an accounting basis differently.

The company chose to prescribe dividends distributed and not charged for 3 years by the shareholders and to register them in the account of other reserves (analytically distinct). According to the provisions of the Civil Code, the prescription applies to the right to request enforced execution, not to the ownership of the amounts. Given that the transfer of these amounts, already taxed in the sphere of both corporate and dividend tax, back to equity is a transaction with shareholders, not a taxable transaction. Consequently, the company did not recognize a deferred tax on these amounts. Under these circumstances, there is a risk that tax authorities might interpret these transactions differently.

In addition, the Romanian Government has a number of agencies authorized to audit (control) companies operating in Romania. These controls are similar to tax audits in other countries, and may cover not only tax aspects but also other legal and regulatory issues of interest to these agencies. The company may be subject to tax controls upon the issuance of new tax regulations.

### (B) the risk associated with the economic environment

The management of Lion capital S.A. cannot predict all the effects of international economic developments with an impact on the financial sector in Romania, but considers that in 2024 it has taken the necessary measures to ensure the sustainability and development of the company under the prevailing financial market conditions, by monitoring cash flows and the adequacy of investment policies. Risk avoidance and mitigation are ensured by the company through an investment policy which complies with the prudential rules required by the applicable legal and regulatory provisions.

Lion capital S.A. has adopted risk management policies that enable them to be actively administered, with specific risk identification, assessment, measurement and control procedures being applied that provide reasonable assurance as to the achievement of the company's objectives, a constant balance between risk and expected profit has been sought.

# Notes on individual financial statements

*for the financial year ended 31 december 2024*

The aim of the risk management process is to: (i) identify and assess significant risks with a major impact in achieving the investment objective and develop activities to address the identified risk; (ii) adapt risk management policies to financial developments in the capital market, monitor performance and improve risk management procedures; (iii) review investment decisions in line with capital and money market developments; (iv) comply with existing legislation.

Aggressive measures taken by the main central banks (Federal Reserve, European Central Bank, etc.) to curb inflation and uncertainties about the short- and medium-term impact of these measures in macroeconomic developments have led to high volatility among the major capital markets. The lack of visibility in central banks' attitude toward these externalities, the necessary level of successive increases in interest rates and their impact on global demand are the main challenges in the management of the asset portfolio in 2024.

## **(c) operational risk**

Operational risk is the risk of direct or indirect losses resulting from deficiencies or deficiencies in the company's procedures, staff, internal systems or external events which may have an impact on its operations. Operational risks arise from all the activities of the company.

The objective of the company is to manage operational risk in a way that can limit its financial losses, not tarnish its reputation and achieve its investment objective of generating benefits for investors.

The Management Board shall have primary responsibility for the implementation and development of operational risk control. This responsibility is supported by the development of general operational risk management standards, which encompass controls and processes at service providers and service commitments with service providers.

## **(D) capital adequacy**

Management's capital adequacy policy focuses on maintaining a sound capital base to support the company's continuous development and the achievement of investment objectives.

This is the absolute value of the liabilities (before the loss-given-year), after the shock (before the loss-given-loss-loss-given-loss-given The capital amounted to lei 4.593.615.461 on December 31, 2024 (lei 4.100.371.784 on December 31, 2023).

## **Significant accounting and judgment**

Management shall discuss the development, selection, presentation and implementation of significant accounting policies and estimates. All these are approved at the meetings of the company's board of directors.

These disclosures complement the information on financial risk management (see note 4.1).

## **Key sources of uncertainty of estimates**

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

## **The application of the amendments to IFRS 10 Investment entities**

In 2018, the company reviewed the criteria of IFRS 10 on classification as an investment entity and concluded that they were met, i.e.:

- a. obtain funds from one or more investors in order to provide investment management services to them;
- b. commits to its investors that the purpose of its business is to invest funds only for gains on the value of the investment, investment income or both; and
- c. Quantify and measure the performance of almost all of its investments on a fair value basis (IFRS 10.27).

# Notes on individual financial statements

## *for the financial year ended 31 december 2024*

The company also meets the specific characteristics of an investment entity, namely:

- Investment services;
- The purpose of the activity; and
- Fair value measurement.

### ***Determination of the fair value of financial instruments***

The fair value of financial instruments that are not traded on an active market is determined using the valuation techniques described in accounting policy 3(e)(iii).

The company uses the following hierarchy of methods for the calculation of fair value:

- Level 1: The market price quoted on an active market for an identical instrument.
- Level 2: Valuation techniques based on observable elements. This category includes instruments measured using: The quoted market price on active markets for similar instruments; quoted prices for similar instruments on markets considered to be less active; or other valuation techniques in which the items can be directly or indirectly observable from market statistics.
- Level 3: Valuation techniques based largely on unobservable elements. This category includes all instruments for which the valuation technique includes items that are not based on observable data and for which unobservable inputs may have a significant effect on the valuation of the instrument. This category includes instruments that are valued on the basis of quoted prices for similar instruments but for which adjustments based largely on unobservable data or estimates are required to reflect the difference between the two instruments.

The concentration risk to which the company is exposed is disclosed in Note 4.1(a)(i), comprising the structure of exposures to the main CAEN sectors on 31 December 2024 and 31 December 2023 respectively.

The fair value of financial assets and liabilities that are traded on active markets is based on prices quoted on the market or prices quoted by intermediaries. For all other financial instruments, the company shall determine fair value using valuation techniques. Valuation techniques shall include present net value and discounted cash flow models, comparison with similar instruments

for which there are observable market prices and other valuation techniques. The assumptions and data used in valuation techniques shall include risk-free interest rates and reference rates, credit spreads and other premiums used to estimate discount rates, bond and capital yields, foreign exchange rates, capital price indices, volatility and forecast correlations. The purpose of measurement techniques is to determine the fair value that reflects the price of financial instruments at the reporting date, a price that would be determined on objective terms by market participants.

The company uses recognized valuation models to determine the fair value of simple financial instruments that use only observable market data and require very few estimates and management analyzes (e.g. instruments that are valued on the basis of quoted prices for similar instruments and for which no adjustments based on unobservable data or estimates are required to reflect the difference between the two instruments). Observable prices and model inputs are usually available on the market for capital instruments. Their availability reduces the need for management estimates and analyzes and the uncertainty associated with determining fair value. The availability of observable market prices and inputs varies across products and markets and is subject to changes stemming from specific events and general conditions of financial markets.

For shares that do not have a quoted market price in an active market, the company uses valuation models that are usually derived from known valuation models. Some or all of the material inputs to these models may be unobservable in the market and are derived from market prices or estimated on the basis of assumptions. Valuation models that require unobservable inputs require a higher degree of management analysis and estimation for determining fair value. The analysis and estimation by management shall, in particular, take into account the selection of the appropriate valuation model, the determination of the future cash flows of the financial instrument, the probability of default by the counterparty and advance payments and the selection of appropriate discount rates.

For financial instruments for which there is no active market (level 3), fair value has been determined by external valuers using valuation techniques that include net present value techniques, discounted cash

## Notes on individual financial statements

### for the financial year ended 31 december 2024

flow method, the method of comparisons with similar instruments for which there is an observable market price. Valuation techniques have been used consistently and there are no changes in their application.

In 2024, valuation methods were maintained for unlisted and listed equity but which do not meet criteria to be considered an active market under IFRS 13.

However, the impending changes in those assumptions on financial markets in general and individually assessed issuers may be favorable or unfavorable to fair values in future financial years.

The company's management analyzed the situation between the date of the completion of the valuation reports and the date of the authorization for the publication of the annual financial statements, concluding that there is no publicly available information of such a nature that it could significantly affect the fair values of holdings presented in these annual financial statements.

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

#### 31 december 2024

*In ROL*

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through the profit and loss account — shares	438.814.359	-	916.863.520	1.355.677.879
Financial assets at fair value through profit and loss account — Fund units	-	316.965.914	-	316.965.914
Financial assets at fair value through profit and loss account — loans granted	-	-	59.676.154	59.676.154
Financial assets measured at fair value through other comprehensive income — shares	2.176.680.651	77.050.702	189.186.344	2.442.917.698
Investments in real estate	-	-	11.913.467	11.913.467
Land and buildings	-	-	4.431.356	4.431.356
	<b>2.615.495.010</b>	<b>394.016.616</b>	<b>1.182.070.841</b>	<b>4.191.582.467</b>

In 2024 there were the following transfers between fair value levels (holding in Grand Hotel Bucharest). The holding has been reclassified from tier 1 to tier 2 of the market value hierarchy, given the absence of an active market for this financial instrument.

	Level 1	Level 2	Level 3
<b>Book value as at 1 January 2024</b>	<b>62.912.186</b>	-	-
Transfers to level 2	(62.912.186)	62.912.186	-
Gains or losses on the period included in profit or loss	-	(6.929.786)	-
Acquisitions/share capital participation	-	21.068.302	-
Sales	-	-	-
<b>Book value as at 31 December 2024</b>	<b>-</b>	<b>77.050.702</b>	<b>-</b>

## Notes on individual financial statements

for the financial year ended 31 december 2024

### 31 december 2023

In ROL

	Level 1	Level 2	Level 3	Total
			921.293.570	1.434.456.093
Financial assets at fair value through the profit and loss account — shares	513.162.523	-		
Financial assets at fair value through profit and loss account — Fund units	-	395.546.142	-	395.546.142
Financial assets at fair value through profit and loss account — loan granted	-	-	32.288.814	32.288.814
Financial assets at fair value through profit and loss account — bonds	-	-	38.313.018	38.313.018
Financial assets measured at fair value through other comprehensive income — shares	1.806.026.893	-	171.304.930	1.977.331.822
Investments in real estate	-	-	14.363.411	14.363.411
Land and buildings	-	-	3.213.758	3.213.758
	<b>2.522.961.125</b>	<b>395.546.142</b>	<b>1.180.650.410</b>	<b>3.895.385.967</b>

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

	Level 1	Level 2	Level 3
<b>Book value as at 1 January 2023</b>	<b>401.252.816</b>	-	-
Transfers to level 2	(362.939.797)	362.939.797	-
Transfers to level 3	(38.185.926)	-	38.185.926
Gains or losses on the period included in profit or loss	-	32.606.344	-
Acquisitions/share capital participation	-	-	-
Sales	-	-	-
<b>Book value as at 31 December 2023</b>	<b>-</b>	<b>395.546.142</b>	<b>38.185.926</b>

Level 2 transferred the holdings in ASSETS PLUS (alternative private equity Investment Fund), OPTIMINVEST (alternative private equity Investment Fund), STAR VALUE, CESTINVEST SHARES, ROMANIA STRATEGY FUND (Closed-end alternative investment fund) and at level 3 the Vrancart bond was transferred.

## Notes on individual financial statements

*for the financial year ended 31 december 2024*

The following table shows the reconciliation from the initial balance to the final balance for financial assets measured at fair value and investment property, level 3 of the fair value hierarchy:

	Financial assets measured at fair value through other comprehensive income — shares	Financial assets measured at fair value through profit or loss account — shares	Investments in real estate
<b>2024</b>			
<b>Balance as at 1 January 2024</b>	<b>171.304.930</b>	<b>921.293.571</b>	<b>14.363.411</b>
profit and loss account	-	52.926.827	4.275
other comprehensive income	17.836.054	-	-
Purchases/entries	471.720	61.288.650	-
Value of disposed participations	(426.359)	(118.645.528)	(2.454.219)
<b>Balance as at 31 December 2024</b>	<b>189.186.344</b>	<b>916.863.520</b>	<b>11.913.467</b>
<b>2023</b>			
<b>Balance as at 1 January 2023</b>	<b>155.925.533</b>	<b>843.576.306</b>	<b>12.963.376</b>
profit and loss account	-	99.197.168	1.400.035
other comprehensive income	17.738.681	-	-
Purchases/entries	-	18.842.890	-
Value of disposed participations	(2.359.284)	(40.322.793)	-
<b>Balance as at 31 December 2023</b>	<b>171.304.930</b>	<b>921.293.571</b>	<b>14.363.411</b>

Although the company considers its own estimates of fair value to be appropriate, the use of other methods or assumptions could lead to different fair value amounts. For fair values recognized from using a significant number of unobservable inputs (level 3), changing one or more variables to make alternative assumptions possible would have an effect on the overall result and current result.

At the value resulting from the valuation of equity investments, a sensitivity analysis was carried out by estimating risk variations on the main influence factors. Two valuation techniques have been used, namely:

(1) *valuation on an updated net cash-flow basis* - thus both the EBITDA values and the weighted average cost of capital values have been altered statistically by +/-5 % (2023: +/-5%), considered as a risk limit, obtaining values per share and hence the equity of the company with a deviation from the standard value. These deviations from the standard value influence the profit and loss account and other comprehensive income (net tax) items.

<b>2024</b>		
<b>Change in the Global element variable</b>	<b>Impact on profit or loss account</b>	<b>Impact on other comprehensive income</b>
Increase EBITDA by 5%	6.391.848	12.744.366
Decrease EBITDA by 5%	(6.391.848)	(12.744.366)
Increase WACC by 5%	9.061.532	12.781.462
Decrease WACC by 5%	(9.061.532)	(12.781.462)
<b>2023</b>		
<b>Change in the Global element variable</b>	<b>Impact on profit or loss account</b>	<b>Impact on other comprehensive income</b>
Increase EBITDA by 5%	7.504.829	2.556.029
Decrease EBITDA by 5%	(7.507.276)	(2.556.029)
Increase WACC by 5%	8.776.631	2.430.293
Decrease WACC by 5%	(7.583.174)	(2.177.444)

## Notes on individual financial statements

### for the financial year ended 31 december 2024

(2) *net asset valuation corrected* - both the values of the assets and the values of the liabilities (liabilities) have been modified by +/-5% (2023: +/-5%), obtaining values per share and equity of the company, deviating from the standard value. These deviations from the standard value influence the profit and loss account and other comprehensive income (net tax) items.

<b>2024</b>	<b>Impact on profit or loss</b>	<b>Impact on other</b>
<b>Change in the Global element variable</b>	<b>account</b>	<b>comprehensive income</b>
Increase of assets by 5%	40.154.310	6.378.101
Reduction of assets by 5%	(40.154.310)	(6.378.101)
Increase of debts by 5%	(4.275.629)	(3.179.453)
Debt write down by 5%	4.275.629	3.179.453
<b>2023</b>	<b>Impact on profit or loss</b>	<b>Impact on other</b>
<b>Change in the Global element variable</b>	<b>account</b>	<b>comprehensive income</b>
Increase of assets by 5%	28.625.601	17.640.440
Reduction of assets by 5%	(28.625.601)	(17.640.440)
Increase of debts by 5%	(2.347.498)	(32.185)
Debt write down by 5%	2.347.498	32.185

A sensitivity analysis was performed at the value resulting from the assessment of the background units. These funds generally invest in highly liquid shares and bonds. As such, the sensitivity analysis was carried out considering a variation of +/- 10% in the market prices of equity instruments. These changes influence the profit and loss account (net tax) with the amount of lei +/- 31.696.591 at 31 December 2023 (31 December 2023: Lei +/- lei 39.554.614).

At the value resulting from the valuation of investments in real estate, a sensitivity analysis was carried out by estimating risk variations on the main influence factors. Two valuation techniques have been used, namely:

valuation based on updated net cash-flow - thus the estimated income values of these investments in real estate have been modified +/-5%. These deviations from the standard value affect the profit and loss account (net of tax).

valuation based on market value - thus, the values of the market prices estimated to be obtained from these investments in real estate have been modified +/-5 %. These deviations from the standard value affect the profit and loss account (net of tax).

<b>2024</b>	<b>Impact on profit or loss account</b>
<b>Change in the Global element variable</b>	
Revenue increase by 5%	-
Income reduction by 5%	-
Increase market value by 5%	595.673
Decrease of market value 5%	(595.673)
<b>2023</b>	<b>Impact on profit or loss account</b>
<b>Change in the Global element variable</b>	
Revenue increase by 5%	35.908
Income reduction by 5%	(35.908)
Increase market value by 5%	718.171
Decrease of market value 5%	(718.171)

The management considers that a presentation in the manner described above is useful for determining directions of action useful in risk management.

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### *for the financial year ended 31 december 2024*

The company's accounting policies provide the basis for the assets and liabilities to be classified, at the initial time, into different accounting categories. For the classification of assets and liabilities at fair value through the profit and loss account, the company determined that one or more of the criteria set out in Note 3(e)(I) were met.

The details of the classification of the financial assets and liabilities of the company are set out in note 6.

#### ***Determining the fair value of investments in real estate***

The fair value of investments in completed property is determined using the income method with explicit assumptions about the property's benefits and liabilities over the life of the asset including an exit or close-out value. As a method accepted under the income approach for valuation, the method of capitalization of income on property shares is used. For the projected series of cash flows, a market-derived capitalization rate is applied to determine the current amount of cash flows associated with the property.

The specific revenues and the timing of entries and exits are determined by events such as rental revision, renewal of the lease and related rental periods, re-rental, refurbishment or renovation. The appropriate duration is usually determined by market behavior. In the case of investments in real estate, estimated revenue as gross income minus empty spaces, sunk expenses, collection losses, rental incentives, maintenance costs, costs of agencies and commissions and other operating and management expenses.

For the years ending on 31 December 2024 and 2023, the company obtained valuation reports on its investments in real estate. The fair value of investments in real estate is based on these measurements.

For all investment property, the current usage is equivalent to the highest and best use. In the event of outsourcing the drawing up of assessment reports, the company shall review the assessments carried out by independent evaluators for financial and reporting purposes.

IFRS 13 defines fair value as the price that would have been received if an asset was sold or paid to transfer a liability in a normal transaction between market participants at the measurement date.

The company now presents fair values according to a "fair value hierarchy" (according to IFRS 13) that classifies inputs used in three-tier valuation techniques. The hierarchy gives the highest priority (level 1) to prices listed in active markets for identical assets or liabilities and the lowest priority (level 3) of immaterial inputs. The different levels of the fair value hierarchy are explained below:

Level 1: Prices listed (unadjusted) in active markets for identical assets or liabilities that the company can access at the valuation date;

Level 2: Use of an input model (other than prices included in level 1) that are directly or indirectly observable market data, and

— Level 3: Use of a model with inputs that are not based on observable data.

Investment property of the company is classified as level 3. There were no transfers between the levels of the hierarchy during the year.

Information on measuring fair value using significant unobservable inputs (level 3) for 2024 is given in the table below:

<b>Segments</b>	<b>The method of evaluation</b>	<b>Estimated rent value – Euro/sqm</b>	<b>Capitalization rates %</b>
Commercial and services – buildings	Income method	16 - 18 euro/sqm	8 – 11,5%

Information on measuring fair value using significant unobservable inputs (level 3) for 2023 is given in the table below:

<b>Segments</b>	<b>The method of evaluation</b>	<b>Estimated rent value – Euro/sqm</b>	<b>Capitalization rates %</b>
Commercial and services – buildings	Income method	14 - 16 euro/sqm	9 – 10,5%



# Notes on individual financial statements

for the financial year ended 31 december 2024

## Financial assets and liabilities

The table below summarizes the accounting values and fair values of the company's financial assets and liabilities as at 31 December 2024:

In ROL	Financial assets measured at:		Financial assets/liabilities measured at amortized cost	Total book value	Fair value
	fair value through the profit and loss account	fair value through other comprehensive income			
<b>Cash and cash equivalents</b>			<b>612.916.069</b>	<b>612.916.069</b>	<b>612.916.069</b>
Cash in cash and other amounts			1.998	1.998	1.998
Current accounts with banks			1.176.537	1.176.537	1.176.537
Bank deposits with original maturity of less than 3 months			611.737.535	611.737.535	611.737.535
<b>Bank deposits</b>					
<b>Financial assets at fair value through the profit and loss account</b>	<b>1.732.319.946</b>			<b>1.732.319.946</b>	<b>1.732.319.946</b>
Shares	1.355.677.877			1.355.677.877	1.355.677.877
Fund units	316.965.914			316.965.914	316.965.914
Loans granted	59.676.154			59.676.154	59.676.154
Corporate bonds					
<b>Financial assets measured at fair value through other comprehensive income</b>		<b>2.442.917.696</b>		<b>2.442.917.696</b>	<b>2.442.917.696</b>
Shares		2.442.917.696		2.442.917.696	2.442.917.696
<b>Financial assets at amortized cost</b>			<b>1.257.518</b>	<b>1.257.518</b>	<b>1.257.518</b>
<b>Other financial assets</b>			<b>35.521.102</b>	<b>35.521.102</b>	<b>35.521.102</b>
<b>Total financial assets</b>	<b>1.732.319.945</b>	<b>2.442.917.696</b>	<b>645.437.172</b>	<b>4.820.674.812</b>	<b>4.820.674.812</b>
Dividends to be paid			(9.816.739)	(9.816.739)	(9.816.739)
Other financial liabilities			(2.898.559)	(2.898.559)	(2.898.559)
Other liabilities and income recorded in advance			(2.129.455)	(2.129.455)	(2.129.455)
Lease liabilities			(2.247.505)	(2.247.505)	(2.247.505)
<b>Total financial liabilities</b>			<b>(17.092.258)</b>	<b>(17.092.258)</b>	<b>(17.092.258)</b>

## Notes on individual financial statements

*for the financial year ended 31 december 2024*

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

<i>In ROL</i>	Financial assets measured at:		Financial assets/liabilities measured at amortized cost	Total book value	Fair value
	fair value through the profit and loss account	fair value through other comprehensive income			
<b>Cash and cash equivalents</b>			<b>408.814.516</b>	<b>408.814.516</b>	<b>408.814.516</b>
Cash in cash and other amounts			1.236	1.236	1.236
Current accounts with banks			1.159.478	1.159.478	1.159.478
Bank deposits with original maturity of less than 3 months			407.653.802	407.653.802	407.653.802
<b>Bank deposits</b>					
<b>Financial assets at fair value through the profit and loss account</b>	<b>1.900.476.975</b>			<b>1.900.476.975</b>	<b>1.900.476.975</b>
Shares	1.434.456.092			1.434.456.092	1.434.456.092
Fund units	395.546.142			395.546.142	395.546.142
Loans granted	32.288.814			32.288.814	32.288.814
Corporate bonds	38.185.926			38.185.926	38.185.926
<b>Financial assets measured at fair value through other comprehensive income</b>		<b>1.977.331.822</b>		<b>1.977.331.822</b>	<b>1.977.331.822</b>
Shares		1.977.331.822		1.977.331.822	1.977.331.822
<b>Other financial assets</b>			<b>730.106</b>	<b>730.106</b>	<b>730.106</b>
	<b>1.900.476.975</b>	<b>1.977.331.822</b>		<b>4.287.353.419</b>	<b>4.287.353.419</b>
<b>Total financial assets</b>			<b>409.544.622</b>		
				(9.886.856)	(9.886.856)
Dividends to be paid			(9.886.856)		
Other financial liabilities			(12.402.436)	(16.347.987)	(16.347.987)
				(258.500)	(258.500)
Lease liabilities			(258.500)		
<b>Total financial liabilities</b>			<b>(22.547.792)</b>	<b>(22.547.792)</b>	<b>(22.547.792)</b>

## Notes on individual financial statements

for the financial year ended 31 december 2024

### 7. Income from dividends

In accordance with IFRS 9, and as a result of the company's choice to measure participations through other comprehensive income, dividends on those participations are recognized in the income unless they represent substantially a return on the investment cost.

Dividend income shall be recorded gross. The tax rates for dividends for the financial year ended 31 December 2024 from resident and non-resident companies were 0% and 8% (2023: 0%, 5% and 27,5%). The breakdown of dividend income by main counterparties is set out in the table below:

<i>In ROL</i>	<b>31-Dec-24</b>	<b>31-Dec-23</b>	<b>Assessment</b>
Banca Transilvania	47.767.943	43.109.795	FVOCI
Real estate SIF	34.874.698	12.031.798	FLTPL
SAI Muntenia invest	32.993.400	29.994.000	FVOCI
BRD	28.525.828	-	FVOCI
SNP Petrom	25.317.289	29.294.199	FVOCI
Biofarm	11.224.994	10.862.898	FLTPL
SIF Hotels	5.937.781	-	FLTPL
Conpet	3.818.984	3.868.165	FVOCI
Hidroelectrica	3.147.750	-	FVOCI
Bucharest stock Exchange	638.541	530.461	FVOCI
The Central Depository	160.918	-	FVOCI
Logistic CJ SIFI	22.884	915.365	FLTPL
Yamu	-	3.861.240	FLTPL
Vrancart SA	-	9.086.125	FLTPL
Azuga SA*	-	763.276	FLTPL
Erste Bank*	-	7.503.480	FVOCI
Other	-	82.763	FVOCI
<b>Total</b>	<b>194.431.012</b>	<b>151.903.565</b>	
FVOCI	142.370.654	114.382.863	
FLTPL	52.060.357	37.520.701	

**FVTPL** = financial assets at fair value through profit or loss/ **FVTOCI** = financial assets at fair value through other comprehensive income

\* Full sale of the package in 2024 / 2023

# Notes on individual financial statements

for the financial year ended 31 december 2024

## Interest income

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

<i>In ROL</i>	31 december 2024	31 december 2023
Interest income on deposits and current accounts	30.342.109	5.800.174
Interest income on bonds valued at amortized cost	13.993	-
	<b>30.356.102</b>	<b>5.800.174</b>

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

<i>In ROL</i>	31 december 2024	31 december 2023
Interest income on bonds	629.561	3.252.690
Interest income related to the disposal of financial assets	1.043.198	611.369
Interest income related to loan contracts	2.520.453	4.625.330
	<b>4.193.213</b>	<b>8.489.389</b>

## Net gain/loss on financial assets at fair value through the profit and loss account

<i>In ROL</i>	31 december 2024	31 december 2023
Gain/(loss) from the valuation /redemption of the fund units	26.419.773	72.606.345
Bond valuation gain/loss	(737.496)	-
Gain/loss on measurement/disposal of shares in subsidiaries and associates	(46.282.399)	221.674.497
<b>Total</b>	<b>(20.600.123)</b>	<b>294.280.842</b>

On December 31, 2024, the valuation of the fund units resulted in a gain of lei 26,4 million (on December 31, 2023: Lei 72,6 million).

The result from the fair value measurement of shares in subsidiaries and associates on 31 December 2024 is unfavorable in the amount of lei 46.3 million (loss of lei 6.4 Mn in the measurement of subsidiaries and losses lei 39.8 million in the measurement of associates). A subsidiary (Azuga Tourism S.A) was sold during 2024.

The result from the fair value measurement of shares in subsidiaries and associates on 31 December 2023 is favorable in the amount of lei 246.4 million (gain of lei 146.3 million from the valuation of subsidiaries and gain of lei 75.3 million from the valuation of associated entities). A subsidiary (Central S.A) was sold during 2023.

## 10. Commission expenses

<i>In ROL</i>	2024	2023
Fees the Financial Supervisory Authority	4.152.485	3.299.707
Deposit commissions	1.329.043	1.149.201
Commissions due transactions	-	291.813
Fees register	218.732	260.979
Other commissions	68.421	66.594
<b>Total</b>	<b>5.768.681</b>	<b>5.068.294</b>

# Notes on individual financial statements

for the financial year ended 31 december 2024

## 11. Other operational expenditure

<i>In ROL</i>	2024	2023
Other taxes, fees and similar payments	268.521	131.250
Expenditure on salaries and other staff expenditure	20.572.849	17.978.284
Depreciation charges	307.575	277.580
Expenditure on external benefits	5.551.331	3.800.600
Interest expense and amortization of the right-of-use assets in the lease	264.112	270.918
<b>Total</b>	<b>26.964.387</b>	<b>22.458.631</b>

<b><i>Wages and salaries and similar charges</i></b>	2024	2023
Wages and salaries	19.506.796	17.038.326
fixed	12.120.747	10.222.995
variables	7.386.049	6.815.330
This appropriation is intended to cover the cost of the purchase, purchase, or	536.855	476.945
Other staff expenditure	529.198	463.013
<b>Total</b>	<b>20.572.849</b>	<b>17.978.284</b>

On 31 December 2024 the number of employees was 30 (2023: 33). The average number of employees for the financial year ended 31 December 2024 was 31 (2023: 32).

The fee paid to the auditors during 2024 for the audit of the financial statements was lei 414.559 (lei 2023: 359.060), of which for the individual statements lei 319.803 (lei 2023: Lei 263.708), for consolidated statements lei 53.300 (lei 2023: Lei 60.041), additional expenses lei 41.456 (lei 2023: lei 35.312) and for non-audit services 0 lei (2023: 0 lei). The amounts include VAT.

## 12. Income tax

<i>In ROL</i>	2024	2023
<b>Current income tax</b>		
Current income tax (16%)	6.128.112	9.849.255
Tax on dividends (0%, 5%, 27,5%)	8.752.011	8.287.516
Tangible assets/real estate investments	(377.386)	205.437
<b>Total income tax recognized as a result of the year</b>	<b>14.502.738</b>	<b>18.342.208</b>

## Notes on individual financial statements

*for the financial year ended 31 december 2024*

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

<i>In ROL</i>	<b>2024</b>	<b>2023</b>
<b>Profit before tax</b>	<b>176.237.389</b>	<b>435.597.340</b>
<b>Tax according to statutory tax rate of 16% (2024: 16%)</b>	28.197.982	69.695.574
<b>Effect on corporate tax of:</b>		
Dividend tax (0%, 5%, 27,5%)	8.752.011	8.287.516
Non-deductible expenses and similar items	31.147.208	12.204.349
Non-taxable income	(53.217.078)	(69.884.355)
Similar items to income	2.263.089	25.509.387
Similar items of expenditure	(2.738.405)	(1.189.926)
The tax loss to be recovered	-	(1.614.775)
Deferred tax	(377.386)	205.437
The amounts of sponsorship within legal limits and other deductions	-	(721.224)
Tax recognized in retained earnings	475.316	(24.171.871)
	<b>14.502.738</b>	<b>18.342.208</b>

### Income tax

Non-deductible expenses on which the effect of corporation tax has been calculated include principally unfavorable differences in fair value measurement in respect of holdings where the holding is more than 10 % for a continuous period of more than one year,

Non-taxable income includes principally dividend income from Romanian legal entities and fair value measurement income from holdings where the holding is more than 10 % for a continuous period of more than one year,

With effect from 1 January 2014, the amendments to the tax Code that include non-taxable income in the calculation of corporate tax, together with dividend income, as well as income from the sale/divestment of shareholdings and liquidation proceeds, have entered into force. Regardless of whether the legal persons in which shareholdings are held are Romanian or foreign legal persons, from States with which Romania has double taxation agreements (including from outside the EU), such income is not taxable if certain conditions are met (if at the date of the sale/transfer of units or the commencement of the winding-up operation the minimum period of one year of continuous holding of a holding of 10 % or more is reached).

### 13 cash and cash equivalents

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
Cash in cash and other amounts	1.998	1.236
Current accounts with banks	1.176.537	1.159.478
Deposits with banks with original maturity of less than 3 months	611.737.535	407.653.802
<b>Total</b>	<b>612.916.069</b>	<b>408.814.516</b>

Current accounts with banks and bank deposits are at all times available to the company and are not restricted.

## Notes on individual financial statements

for the financial year ended 31 december 2024

### 14. Other financial assets

	31 december 2024	31 december 2023
In ROL		
Sundry debtors	33.190.739	1.380.687
Other financial assets	47.840	66.896
Provisions for impairment of sundry debtors	(717.477)	(717.477)
<b>Total</b>	<b>32.521.102</b>	<b>730.106</b>

On 31 December 2024 various debtors were largely debt related to the sale of their stake in Azuga Tourism S.A. (lei 31,9 million).

### 15. Assets measured at fair value through the profit or loss account

	31 december 2024	31 december 2023
In ROL		
Equity instruments measured at fair value, of which:	1.355.677.878	1.434.456.093
c 32.commission regulation (eu) no 32.	1.097.140.916	1.136.088.506
-related entities	258.536.962	298.367.587
Units measured at fair value	316.965.914	395.546.142
Loan granted	59.676.154	32.288.814
Corporate bonds (including interest attached)	-	38.185.926
<b>Total</b>	<b>1.732.319.946</b>	<b>1.900.476.975</b>

Shares measured at fair value through the profit and loss account include subsidiaries (unconsolidated) of 1.097.140.916 L EI (2023: 1.136.088.506 lei) and associates 258.536.962 lei (2023: 298.367.587 lei).

In March 2024, the Vrancart bond matured, in 2024 fund units were bought back for a total value of 105 million lei

# Notes on individual financial statements

for the financial year ended 31 december 2024

The fair value of investments in subsidiaries is shown below:

	31 december	
	2024	31 december 2023
<b>1 Measured at fair value through the profit and loss account</b>		
SIF REAL ESTATE PLC NICOSIA	441.742.722	429.656.276
SIF1 IMGB SA BUCHAREST	272.410.021	256.400.000
VRANCART SA	180.277.396	214.794.935
IAMU SA BLAJ	85.111.606	91.048.349
SIF SPV THREE	64.205.645	-
SIF HOTELS SA ORADEA	21.615.941	95.959.124
NAPOMAR SA CLUJ-NAPOCA	19.903.254	20.284.793
SIF SPV TWO SA BUCHAREST	10.385.117	6.068.237
SIFI CJ LOGISTIC SA BUCHAREST	1.343.380	1.327.606
SIF SPV FOUR	145.834	-
AZUGA TOURISM SA BUCHAREST	-	19.923.852
<b>Total</b>	<b>1.097.140.916</b>	<b>1.136.088.506</b>
<b>Measured at fair value through other</b>		
<b>2 comprehensive income</b>		
Real estate administration SA Bucharest	61.545.942	56.225.453
SAI Muntenia invest SA Bucharest	107.211.454	94.947.003
<b>Total</b>	<b>168.757.396</b>	<b>151.172.455</b>

Statement of investment funds in which units are held :

	31 december 2024	31 december 2023
CENTINVEST SHARES (alternative open-ended Investment Fund)	125.090.505	98.972.942
ASSETS PLUS (alternative private equity Investment Fund)	82.052.945	203.771.710
OPTIMINVEST (alternative private equity investment fund)	49.346.526	41.814.001
ROMANIA STRATEGY FUND	46.984.060	39.539.760
Star Value	13.491.879	11.447.729
<b>Total</b>	<b>316.965.914</b>	<b>395.546.142</b>



## Notes on individual financial statements

### for the financial year ended 31 december 2024

The movement of financial assets measured at fair value through the profit and loss account in the year 2024 is shown in the following table:

*In ROL*

	Shares	Fund units	Loans granted	Corporate bonds	Total
<b>1 january 2024</b>	<b>1.434.456.092</b>	<b>395.546.142</b>	<b>32.288.814</b>	<b>38.185.926</b>	<b>1.900.476.975</b>
Procurement	86.149.712	-	24.874.500	-	111.024.212
Sales	(118.645.528)	(105.000.001)	-	(36.874.800)	(260.520.328)
Change in interest receivable	-	-	2.520.040	(573.630)	1.946.410
Annex V.Part 2.247(b)	(46.282.399)	26.419.773	(7.200)	(737.496)	(20.607.322)
<b>31 december 2024</b>	<b>1.355.677.878</b>	<b>316.965.914</b>	<b>59.676.154</b>	<b>-</b>	<b>1.732.319.945</b>

The share acquisitions made during 2024 include: Capital contributions to SIF SPV THREE, SIF SPV FOUR (in total amount of lei 61,3 million) and capital contribution to Vrancart (in total amount of lei 25 Mn) . Share sales represent mostly the value of the holding in Azuga Tourism S.A- 44,7 Mn lei. Sold in full and capital reduction of approximately lei 73 Mn in SIF Hotels . Also in 2024 the company bought back fund units totaling lei 105 Mn.

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

*In ROL*

	Shares	Fund units	Loans granted	Corporate bonds	Total
<b>1 january 2023</b>	<b>1.205.645.522</b>	<b>362.939.797</b>	<b>116.912.505</b>	<b>38.313.018</b>	<b>1.723.810.844</b>
Procurement	18.842.890	-	-	-	18.842.890
Sales	(49.553.410)	-	(86.065.648)	-	(135.619.058)
Change in interest receivable	-	-	1.193.069	(127.092)	1.065.977
Annex V.Part 2.247(b)	259.521.090	32.606.344	248.887	-	317.174.123
<b>31 december 2023</b>	<b>1.434.456.092</b>	<b>395.546.142</b>	<b>32.288.814</b>	<b>38.185.926</b>	<b>1.900.476.975</b>

The acquisition of shares carried out during 2023 includes shares in the company IAMU S.A. The sale of shares is largely the value of the shareholding in Central S.A. sold in its entirety. Also in 2023 SIF SPV TWO SA repaid lei 86 million as part of the loan granted in 2022.

## Notes on individual financial statements

for the financial year ended 31 december 2024

### The hierarchy analysis of the fair value of financial instruments

On 31 December 2024, financial assets measured at fair value classified in level 3 shall be reported as follows:

Financial assets	Value, just 31/12/24	Assessment technique	Input data used		Unobservable input data	Weighted average cost of capital		Capitalization rate		Sensitivity
Financial investments, d,c:	1.106.049.864					Standard values	Lime vs val standard	Standard values	Lime vs val standard	
non-listed or no active market majority ownership	233.842.255	income approach - discounted cash flow method	Turnover, EBITDA for each major holding	Variation +/- 5 % from the standard value	Weighted average cost of capital	9,1%-13,4% (for 5 companies) and 27% (for one company)	Variation +/- 5 % from the standard value			The increase in EBITDA (influenced by revenue growth and/or cost decreases) and the decrease in wacc increases fair value and vice versa leads to a decrease in fair value
non-listed or no active market majority ownership	851.778.660	net asset-adjusted approach	Net assets corrected for each majority holding within the holding type	Variation +/- 5 % from the standard value of assets and liabilities	unit rent and capitalization rate for real estate investments (major influence net asset)			8% to 11.5% when valuing fixed assets (majority share in total assets)	Variation +/- 5 % from the standard value	The increase in the net asset (influenced by increases in the value of investments in real estate) increases fair value and vice versa decreases fair value
	5.881.013	approach by market comparisons	similar transactions with company shares or comparable companies							
	14.547.935	net asset-adjusted approach	annual and half-yearly historical financial statements		Discount: Lack of liquidity, minority package, low profitability					
Total	1.106.049.864									

## Notes on individual financial statements

*for the financial year ended 31 december 2024*

On 31 December 2023, financial assets measured at fair value classified in level 3 shall be reported as follows:

Financial assets	Value, just 31/12/23	Assessment technique	Input data used		Unobservable input data	Weighted average cost of capital		Capitalization rate		Sensitivity
Financial investments, d,c:	1.092.598.500					Standard values	Lime vs val standard	Standard values	Lime vs val standard	
<b>non-listed or no active market majority ownership</b>	<b>322.163.121</b>	income approach - discounted cash flow method	Turnover, EBITDA for each major holding	Variation +/- 5 % from the standard value	Weighted average cost of capital	10,6%-35,0%	Variation +/- 5 % from the standard value			The increase in EBITDA (influenced by revenue growth and/or cost decreases) and the decrease in wacc increases fair value and vice versa leads to a decrease in fair value
<b>non-listed or no active market majority ownership</b>	<b>750.302.905</b>	net asset-adjusted approach	Net assets corrected for each majority holding within the holding type	Variation +/- 5 % from the standard value of assets and liabilities	unit rent and capitalization rate for real estate investments (major influence net asset)			8% to 11% when valuing fixed assets (majority share in total assets)	Variation +/- 5 % from the standard value	The increase in the net asset (influenced by increases in the value of investments in real estate) increases fair value and vice versa decreases fair value
	<b>4.384.134</b>	approach by market comparisons	similar transactions with company shares or comparable companies							
	<b>15.748.341</b>	net asset-adjusted approach	annual and half-yearly historical financial statements		Discount: Lack of liquidity, minority package, low profitability					
<b>Total</b>	<b>1.092.598.500</b>									

## Notes on individual financial statements

for the financial year ended 31 december 2024

### 16. Assets measured at fair value through other comprehensive income

The fair value of the shares for which the company selected the option to reflect fair value accounting through other comprehensive income on 31 December 2024 and 31 December 2023 is shown below, structured around the main sectors of economic activity. The company has chosen, at the time of transition to IFRS 9, i.e. on initial recognition of new acquisitions, this disclosure required by IFRS 9, provided that this option is consistent with the company's investment strategy and horizon for these investments.

In ROL	31 december 2024	%	31 december 2023	%
Financial intermediation and insurance	1.966.391.133	80,5%	1.559.710.690	78,9%
Mining and quarrying	251.752.575	10,3%	203.994.153	10,3%
Hotels and restaurants	77.050.702	3,2%	62.912.186	3,2%
Financial services applicable to real estate	65.668.942	2,7%	61.932.553	3,1%
Transport and storage	42.431.866	1,7%	46.044.950	2,3%
Production and supply of energy, gas, water	27.450.000	1,1%	28.800.000	1,5%
Manufacturing	7.502.498	0,3%	9.290.036	0,5%
Construction	4.463.516	0,2%	4.377.211	0,2%
Wholesale and retail trade, repair of motor vehicles	206.465	0,0%	230.430	0,0%
Agriculture, forestry and fishing	-	0,0%	39.615	0,0%
<b>TOTAL</b>	<b>2.442.917.696</b>	<b>100,0%</b>	<b>1.977.331.822</b>	<b>100,00%</b>

Dividend income on shares measured at fair value through other comprehensive income is presented separately in Note 7.

The movement of financial assets measured at fair value through other comprehensive income in the year 2024 is shown in the following table:

In ROL

	<b>Actions*</b>
<b>1 january 2024</b>	<b>1.977.331.822</b>
Procurement	83.373.322
Sales	(426.359)
Changes	382.638.911
<b>31 december 2024</b>	<b>2.442.917.696</b>

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

The stock entries in the year 2024, in the total amount of lei 83.3 Mn mainly include the acquisition of shares Grand Hotel Bucharest and infinity capital investments.

# Notes on individual financial statements

for the financial year ended 31 december 2024

In ROL

	<b>Actions*</b>
<b>1 january 2023</b>	<b>1.624.523.020</b>
Procurement	23.748.220
Sales	(183.810.181)
Changes	512.870.764
<b>31 december 2023</b>	<b>1.977.331.822</b>

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

The share entries in 2023 in the total amount of lei 23,7 Mn mainly include the acquisition of shares CH Intercontinental S.A. Bucharest and Hidroelectrica.

The share sales in the amount of lei 183,8 Mn mainly include the Exit in Erste Bank, which generated a gain of 1.436.069.

## Reserves from the revaluation of financial assets designated at fair value through other comprehensive income

In ROL	<b>2024</b>	<b>2023</b>
<b>On 1 January</b>	<b>1.095.404.908</b>	<b>741.827.359</b>
Gains/losses on fair value measurement of financial assets measured at fair value through other comprehensive income	382.638.911	512.870.764
Gains or losses on financial assets and liabilities designated at fair value through profit or loss by instrument and measured at fair value through profit or loss shall be reported in this item (Gain)/loss transferred to the profit and loss account of financial assets measured at fair value through other comprehensive income out of the portfolio	3.922.447	(106.766.363)
The related deferred income tax effect	(47.424.558)	(52.526.852)
<b>On 31 December</b>	<b>1.434.541.708</b>	<b>1.095.404.908</b>

During 2024 the gain of lei 3.922.447 (at 2023: Loss lei 106.766.363) is mostly the difference from marking to market accumulated until the date of disposal.

## Notes on individual financial statements

for the financial year ended 31 december 2024

### 17. Other financial liabilities

<i>In ROL</i>	31 december 2024	31 december 2023
Liabilities to employees and related contributions	2.327.673	2.832.448
Taxes and duties	25.571	8.508.939
Domestic suppliers and creditors	545.315	1.061.048
<b>Total</b>	<b>2.898.559</b>	<b>12.402.436</b>

The decrease in 2024 compared to 2023 is mainly due to the payment of the profit tax recorded in the 2023 balance, amounting to 8,5 Mn, on the line "taxes and duties".

### 18. Deferred income tax liabilities

The assets and liabilities related to tax deferred on 31 December 2024 are generated by the items detailed in the following table:

<i>In ROL</i>	Assets	Liabilities	Net
Financial assets at fair value through the profit and loss account	-	-	-
Financial assets at fair value through other comprehensive income	-	1.428.622.566	(1.428.622.566)
Tangible assets and investments in real estate	-	13.800.880	(13.800.880)
<b>Total</b>	<b>-</b>	<b>1.442.423.445</b>	<b>(1.442.423.445)</b>
Net temporary differences – 16% share	-		(230.787.752)
<b>Deferred tax liabilities</b>	<b>-</b>	<b></b>	<b>(230.787.752)</b>

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

<i>In ROL</i>	Assets	Liabilities	Net
Financial assets at fair value through the profit and loss account	-	-	-
Financial assets at fair value through other comprehensive income	-	1.127.996.570	(1.127.996.570)
Tangible assets and investments in real estate	-	14.834.647	(14.834.647)
<b>Total</b>	<b>-</b>	<b>1.142.831.216</b>	<b>(1.142.831.216)</b>
Net temporary differences – 16% share	-	-	(182.852.994)
<b>Deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>(182.852.994)</b>

Deferred income tax liabilities in the balance at 31 December 2024 in the amount of lei 230.787.752 (2023: Lei 182.852.996) include:

deferred income tax recognized directly by reducing other comprehensive income items to lei 228.579.611 (2023: lei 180.479.451), being generated by reserves on financial assets measured at fair value through other comprehensive income;

deferred tax related mainly to differences in inflation of financial assets, impairment adjustments and real estate investments, in the amount of lei 2.208.141 recognized in retained earnings.

# Notes on individual financial statements

for the financial year ended 31 december 2024

Deferred income tax liability movement table

	Article 01 01/2024	Profit and loss account increases/decreases	Increases/decreases in other comprehensive income	Article 31 12/2024
Financial assets measured at fair value through other comprehensive income	180.479.452	-	48.100.159	228.579.612
Tangible assets and investments in real estate	2.373.544	(377.386)	211.983	2.208.142
<b>Total</b>	<b>182.852.994</b>	<b>(377.386)</b>	<b>48.312.142</b>	<b>230.787.752</b>

	Article 01 01/2023	Profit and loss account increases/decreases	Increases/decreases in other comprehensive income	Article 31 12/2023
Financial assets measured at fair value through other comprehensive income	134.375.136	-	46.104.316	180.479.452
Tangible assets and investments in real estate	2.171.585	205.437	(3.478)	2.373.544
<b>Total</b>	<b>136.546.721</b>	<b>205.437</b>	<b>46.100.838</b>	<b>182.852.994</b>

## 19. Capital and reserves

### ii.a. Share capital

On December 31, 2024, the share capital of Lion capital S.A. is lei 50.751.006 being divided into 507.510.056 shares with a nominal value of lei 0,1 and is the result of direct subscriptions to Lion's share capital, by converting into shares the amounts due as dividends under law no 55/1995 and the effect of law 133/1996. On 31 December 2024, the number of shareholders was 5.735.100 (31 December 2023: 5.737.765).

The shares issued by Lion capital S.A are traded on the Bucharest stock Exchange since November 1999. The stock and shareholder records are kept by the Central depository company S.A. Bucharest.

<i>In ROL</i>	31 december 2024	31 december 2023
Share capital	50.751.006	50.751.006
<b>Total</b>	<b>50.751.006</b>	<b>50.751.006</b>

### ii.b. Retained earnings

<i>In ROL</i>	31 december 2024	31 december 2023
This is the amount of Tier 1 instruments that an institution could be eligible to apply under the relevant national GAAP IFRS 9.Appendix a; Annex V.Part 2.294-295, 296(a), 296(b)	422.323.709	422.323.709
Profit or loss for the year	397.555.180	401.889.895
Other recognized amounts in retained earnings (statutory reserves, revaluation reserves, tangible assets, etc.)	161.734.651	417.255.132
	2.187.404	2.220.252
<b>Total</b>	<b>983.800.944</b>	<b>1.243.688.988</b>

# Notes on individual financial statements

for the financial year ended 31 december 2024

## ii.c. Other reserves

In ROL

	31 december 2024	31 december 2023
Net profit reserves	1.863.082.223	1.445.827.091
Reserves created as a result of the application of Law No 133/1996*	145.486.088	145.486.088
		88.420.910
Prescribed dividend reserves	88.420.910	
		19.832.946
Exchange rate reserves and investment facilities	19.832.946	
<b>Total</b>	<b>2.116.822.166</b>	<b>1.699.567.034</b>

The reserve on the initial portfolio was set up following the application of Law No 133/1996, as the difference between the value of the portfolio to be provided and the value of the subscribed share capital. These reserves are thus treated as a premium contribution and are not used for the sale of fixed securities.

## ii.d. Legal reserves

According to the legal requirements, the company shall hold legal reserves of 5 % of the profits recorded in accordance with the applicable accounting regulations until the total amount of the reserves reaches 20 % of the share capital, in accordance with the Articles of Association Act. The value of the legal reserve on December 31, 2024 is lei 10.150.201 ( December 31, 2023: Lei 10.150.201). Legal reserves may not be distributed to shareholders.

## (-) other financial liabilities

This reserve includes accumulated net changes in fair value of financial assets measured by other comprehensive income from the date of their classification into this category until the date when they were derecognized or impaired.

Reserves are recorded net of associated deferred tax, the amount of deferred tax recognized directly by the deduction of equity is shown in Note 19.

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

In ROL	31 december 2024	31 december 2023
IAS 1.9(a),(b)(l); Annex V.Part 2.21	1.434.541.708	1.095.404.908
<b>Total</b>	<b>1.434.541.708</b>	<b>1.095.404.908</b>

## (F) dividends

The distribution of dividends from the profits of the financial year 2023 was not approved during 2024. The distribution of dividends from the profits of the financial year 2022 was not approved during 2023.

## (G) own shares

In ROL	31 december 2024	31 december 2023
Own shares	(7.221.000)	(2.494.800)
<b>Total</b>	<b>(7.221.000)</b>	<b>(2.494.800)</b>



## Notes on individual financial statements

### *for the financial year ended 31 december 2024*

Between 25.09.2024 and 08.10.2024 the public offer to buy shares issued by Lion capital S.A. was made approved by decision A.S.F 957/10.09.2024. It was completed by the redemption of 2.490.000 own shares, by Lion capital S.A, amounting to lei 7.221.000.

### **20 result per share**

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

<i>In ROL</i>	<b>2024</b>	<b>2023</b>
Profit attributable to ordinary shareholders	161.734.652	417.255.132
Weighted average number of ordinary shares*	506.683.990	507.510.056
<b>The base result per share</b>	<b>0,3192</b>	<b>0,8222</b>

*\*taking into account their redeemed shares*

The result per diluted share is equal to the result per basic share as the company did not register potential ordinary shares.

In 2024 and 2023 there were no changes in accounting policies or new standards adopted that would affect output per share and require disclosure in accordance with IAS 8.

### **21, commitments and contingent liabilities**

#### **a. Legal proceedings**

On 31 December 2024, the company's records contained 49 litigation pending before the courts. The company had an active procedural capacity in 38 disputes, standing passive in 9 disputes and being an intervener in 2 disputes.

In most cases where the company is a claimant, the object of the litigation is the annulment/establishment of nullity of decisions of general meetings of shareholders in portfolio companies or the insolvency proceedings of portfolio companies.

#### **b. Transfer price**

The Romanian tax legislation contains rules on transfer pricing between related persons as early as 2000. The current legal framework defines the principle of "market value" for transactions between related persons as well as the methods of fixing transfer prices. As a result, it is expected that the tax authorities will initiate in-depth transfer pricing checks to ensure that the tax result is not distorted by the effect of prices in related relationships. The company cannot estimate the impact of such verification.

### **22. Affiliated parties**

Related parties are entities or legal persons that are linked to each other by a controlling or significant influence. Under accounting and tax regulations, a related party may be an entity that directly or indirectly holds a significant participation in another entity, or that is under the control of the same entities or group of entities. Related parties also include entities that are influenced by the same economic or administrative interests. The transfer pricing method is based on the arm's length principle.

## Notes on individual financial statements

### for the financial year ended 31 december 2024

The company identified in the course of its business the following related parties:

#### Key management personnel

31 december 2024

- On December 31, 2024, the board of directors of Lion capital S.A was made up of 4 members: Bogdan-Alexandru Dragoi-president, Razvan-Radu Straut-vice-president (mandate ended on October 1, 2024), Sorin Marcel Pfister and Ionel Marian Ciucioi;
- On December 31, 2024 Executive Board members of Lion capital S.A: Bogdan-Alexandru Dragoi – Director General, Razvan-Radu Straut – Deputy Director General (mandate ended 1 October 2024), Florin Daniel Gavrila – Director and Laurentiu Ravis – Director.

31 december 2023

- On December 31, 2023, the board of directors of Lion capital S.A. was made up of 5 members: Bogdan-Alexandru Dragoi-president, Razvan-Radu Straut-vice-president, Sorin Marica , Marcel Pfister and Ionel Marian Ciucii;
- On December 31, 2023 Executive Board members of Lion capital S.A: Bogdan-Alexandru Dragoi – Director General, Razvan-Radu Straut – Deputy Director General, Teodora Sferdian – Deputy Director General (mandate ended 1 October 2023) and Laurentiu Ravis – Director.

During the financial year, no transactions were carried out and no advances and credits were granted to the directors and managers of the company, except for advances for travel in the interests of the service.

During 2024 the gross amounts paid to members AS well as to directors (authorized by the ASF) amounted to lei 9,924 thousand (2023: Lei 8,948).

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

#### Subsidiaries

*Subsidiaries are legal entities controlled directly or indirectly by a parent, by holding a significant (usually at least 50%) holding of the voting rights or by exercising control over the financial activity and policy of the subsidiary.*

The subsidiaries of the company as at 31 December 2024 and 31 December 2023 are as follows:

Company name	Ownership percentage at 31 December 2024	Ownership percentage at 31 December 2023
SIF REAL ESTATE PLC NICOSIA	99,9997%	99,9997%
SAI MUNTENIA INVEST SA BUCHAREST	99,98%	99,98%
SIF1 IMGB SA	99,99%	99,99%
NAPOMAR SA CLUJ-NAPOCA	99,43%	99,43%
SIF SPV THREE S.A BUCHAREST	99,99%	-
SIF SPV FOUR S.A. BUCHAREST	99,99%	-
SIF HOTELS SA ORADEA	98,99%	98,99%
AZUGA TOURISM SA BUCHAREST	-	98,94%
REAL ESTATE ADMINISTRATION SA BUCHAREST	97,40%	97,40%
ARIO SA BISTRITA	-	93,64% (F
IAMU SA BLAJ	96,53%	96,53%
VRANCART SA	76,33%	76,05%
SIF SPV TWO SA BUCHAREST	99,99%	99,99%
UNITEH SA BUCHAREST*	-	36,34%
SIFI CJ LOGISTIC SA BUCHAREST*	5,53%	5,53%

C 62.90 - credit institutions (CLPs

#### Associated entities

## Notes on individual financial statements

### *for the financial year ended 31 december 2024*

The associated entities of the company as at 31 December 2024 and 31 December 2023 are the following:

a. Entities in which the company has shares in more than 20 % of the share capital and in which it has significant influence:

Company name	Ownership percentage at 31 December 2024	Ownership percentage at 31 December 2023
BIOFARM SA BUCHAREST	36,75%	36,75%

b. Companies in which the company holds more than 20 % of the share capital but which do not qualify as associated entities because the company does not exercise significant influence in the companies:

Company name	Ownership percentage at 31 December 2024	Ownership percentage at 31 December 2023
GRAND HOTEL BUCHAREST SA	40,19%	30,19%
TARGOVISTE SA FOREST	-	25,75%
HIS MOLAR SUCEAVA	-	21,63%

c. Holdings in excess of 20 % of share capital, but companies are in insolvency/liquidation/bankruptcy, etc.

Company name	Ownership percentage at 31 December 2024	Ownership percentage at 31 December 2023	Statu s
COMAR BAIA MARE	-	34,94%	(F
ELBAC SA BACAU	-	32,45%	(F
PETROCART	-	30,18%	RJ
AGROPRODUCT RESITA	-	30,00%	RJ
NADLAC AGROINSTRIALA	-	30,00%	(F
ARDEAL ALBA IULIA FACTORY	-	29,51%	(F
COMJOINT OCNA MURES	-	28,97%	(F
MEBIS SA BISTRITA	-	26,78%	INS
EXFOR SA BUCHAREST	-	24,23%	(F
MOPAL SA BISTRITA	-	21,89%	DIZ
TRANSYLVANIA AIUD	-	20,19%	(F

INS: Insolvency

RJ: Judicial reorganization

DIZ: Dissolution

F: Bankruptcy

A. radiation

In 2024 all companies with over 20% of the share capital and in insolvency/liquidation/bankruptcy were sold.

## Notes on individual financial statements

for the financial year ended 31 december 2024

### Transactions in the statement of profit or loss

	2024	2023
<b>Income from dividends, of which:</b>		
PLC real estate SIF	34.874.698	12.031.798
AZUGA Tourism SA	-	763.276
SAI MUNTENIA INVEST SA	32.993.400	29.994.000
VRANCART SA	-	9.086.125
BIOFARM SA	11.224.994	10.862.898
SIF Hotels	5.937.781	-
IAMU SA	-	3.861.240
SIFI CJ LOGISTIC SA	22.884	915.365
<b>Total</b>	<b>85.053.757</b>	<b>67.514.701</b>

### Interest income, showing:

VRANCART SA	629.561	2.766.775
SIF SPV TWO SA	2.297.794	1.103.608
SIF 1 IMGB	222.659	-
<b>Total</b>	<b>3.150.014</b>	<b>3.870.383</b>

### Other expenditure, showing that:

MANAGEMENT OF REAL ESTATE SA — rents, operating expenses	403.154	295.895
	<b>403.154</b>	<b>295.895</b>

### Transactions by statement of financial position

	2024	2023
<b>Other claims, showing that:</b>		
VRANCART SA-principal bonds	-	37.612.296
VRANCART SA-interest	-	573.630
SIF Sov TWO SA — main loan	31.837.069	31.840.269
SIF SPV TWO SA — interest receivable	2.745.977	448.545
SIF 1 IMGB – principal loan	24.870.500	-
SIF 1 IMGB - interest receivable	222.608	-
<b>Total</b>	<b>59.676.154</b>	<b>70.474.741</b>

### Other liabilities, showing

REAL ESTATE MANAGEMENT SA	-	987
<b>Total</b>	<b>-</b>	<b>987</b>

The following operations were carried out with the subsidiaries during 2024:

- Vrancart S.A. participation in the increase of the share capital in cash by the sum of 24.861.062 lei, representing the consideration, 248.078.495 shares and the collection of the bond: 36.874.800 lei ;
- SIF SPV THREE and FOUR – participation / contribution to the share capital increase in cash with a total amount of lei 61.288.650;
- Azuga Tourism and SIFI Unueh – full sale/liquidation of the holding, the value of the transactions being lei 44,7 million and lei 0.7 million.

## Notes on individual financial statements

*for the financial year ended 31 december 2024*

The following operations were carried out with the subsidiaries during 2023:

- Vrancart S.A. participation in the increase of the share capital in cash by an amount of 37.846.593 lei, representing cval, 377.584.668 shares;
- IAMU SA participation in the increase of the share capital in cash by an amount of 18.842.890 lei, representing cval, 1.884.289 shares;
- Central S.A. a full sale of the stake, the value of the transaction being lei 40,3 mn.

### 23. Reporting by activity segment

#### Activity segments information

Business segments are components that engage in commercial activities, that may generate revenue or expenditure, the operating results of which are periodically reviewed by the main decision maker (CODM) and for which discrete financial information is available. CODM is the person or group of persons who allocates resources and evaluates the performance of the entity. The Commission therefore concluded that the measures in question were not in line with the general interest of the Union.

#### Description of the products and services from which each Reportable segment derives its revenues

The company is organized on the basis of a principal business segment, its main business being the making of financial investments, in order to increase the value of its treasury shares in accordance with the regulations in force and the subsequent management of the investment portfolio and exercise all related rights to the instruments invested.

#### Factors that have been used by leadership to identify Reportable segments

The company considered that it had only one segment of activity as it had only one strategic business unit.

The financial information of the segment being reviewed by CODM includes the investment portfolio of the company. Mainly financial assets, as well as dividend income of the company. CODM obtains the financial statements of the company prepared in accordance with IFRS. This financial information overlaps with the analysis of the internally provided segment at CODM. As such, the management applied the basic principle of IFRS 8, business segments, in determining which of the overlapping sets of financial information should form the basis for operating segments.

Management considered that IFRS financial statements information was not available frequently enough to conclude that segment reporting should exclude any details other than information about the investment portfolio and dividend income.

The measurement of the segment's operating profit, i.e. the assets and liabilities attributable to the CODM segment, shall review the financial statements prepared under IFRS and assess the performance of the profit-based segment before tax.

### 24. Events after the balance sheet date

There were no further events having an impact for these separate financial statements.

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders,  
Lion Capital S.A.

### **Report on the Audit of the Separate Financial Statements**

#### **Opinion**

1. We have audited the separate financial statements of Lion Capital S.A. ("the Company"), with registered office in Calea Victoriei, nr. 35 A, județul Arad, Romania, identified by unique tax registration code RO 2761040, which comprise the separate statement of financial position as at December 31, 2024, and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.
2. The financial statements as of December 31, 2024, are identified as follows:

• Equity	RON	4,593,615,461
• Net profit for the financial year	RON	161,734,652
3. In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at December 31, 2024, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applying Financial Supervisory Authority ("FSA") Norm no. 39/28 December 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorized, regulated and supervised by the FSA from the Financial Investments and Instruments Sector, as well as Investor Compensation Fund, with subsequent amendments (referred to herein as "FSA Norm no. 39/2015").

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Key audit matter	How our audit addressed the matter
<p><b>Valuation of equity investments</b></p> <p>We refer to notes 15 and 16 in the separate financial statements, where investments in financial assets at fair value are presented, including equity investments, representing shares held by the Company. As of December 31, 2024, investments in equity securities represent 78% of the total assets held by the Company.</p> <p>Financial investments in equity securities classified under Level 3 of the fair value hierarchy amount to RON 1.1 billion and consist of holdings in Romanian companies, both listed and unlisted, but without an active market.</p> <p>The determination of the fair value of investments in equity securities classified under Level 3 of the fair value hierarchy was carried out based on valuation models using the financial information of the assessed companies available at a date prior to December 31, 2024, which involves significant judgments and a high degree of estimation.</p> <p>These valuations were carried out by independent appraisers designated by the Company's management. The Company's management performed an analysis covering the period from the date of the valuations of the respective investments until December 31, 2024, in order to identify significant changes in the fair value of investments in equity securities as of December 31, 2024.</p> <p>This represented a key area of focus in our audit due to the significant values of these investments, the complexity involved in valuing these investments, the significance of the professional judgments and significant estimates used in the valuation, as well as the reflection of changes in fair value in the individual financial statements.</p>	<p>To address the key audit matter, our audit focused on evaluating the relevant controls regarding the annual evaluation process of investments in equity securities measured at fair value. Our analysis of the design and implementation of the relevant controls provided a basis for us to establish audit procedures according to the nature, planning, and planned scope.</p> <p>For significant listed equity investments, we assessed the Company's analyses and policies regarding the frequency of transactions to identify securities without an active market. For significant listed equity investments classified under Level 1 of the fair value hierarchy, we evaluated the accuracy of the closing price on the capital market of the shares as of December 31, 2024, or from the last available trading day at the end of the reporting period.</p> <p>For a sample of equity investments classified under Level 3 of the fair value hierarchy and involving significant valuation assumptions, we involved our own valuation specialists, who analyzed the valuation methodology, the assumptions used, the significant unobservable inputs used by the appraisers, as well as their professional competence and independence from the Company.</p> <p>We evaluated the Company's Management analyses for the period subsequent to the date of the valuation reports until December 31, 2024, to identify significant events that may have a substantial impact on the fair value of equity investments as of December 31, 2024.</p> <p>We also evaluated whether significant changes in fair values were accurately reflected in the separate financial statements.</p> <p>In the analysis of the separate financial statements, we considered whether they properly reflect the significant information regarding equity investments in accordance with the Company's accounting policies and the requirements of IFRS 13 Fair Value Measurement ("IFRS 13"). In this regard, we assessed the accuracy of the presentation of significant information related to the fair value hierarchy, information on significant unobservable and observable inputs, in line with the disclosure requirements set out by IFRS 13.</p>

## Other Information

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

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

In connection with our audit of the separate financial statements for the year ended December 31, 2024, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## **Other responsibilities of reporting with respect to other information – Separate Administrators’ Report**

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

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

- a) the information included in the Administrators’ Report and the Remuneration Report, for the financial year for which the separate financial statements have been prepared is consistent, in all material respects, with these separate financial statements;
- b) the Administrators’ Report has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 8-13.

Moreover, based on our knowledge and understanding concerning the Company and its environment gained during the audit on the separate financial statements prepared as at December 31, 2024, we are required to report if we have identified a material misstatement of this Administrators’ Report and the Remuneration Report. We have nothing to report in this regard.

## **Other reporting responsibilities with respect to other information – Remuneration report**

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

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

- 7. Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applying FSA Norm no. 39/2015 and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.
- 8. In preparing the separate financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 9. Those charged with governance are responsible for overseeing the Company’s financial reporting process.

## **Auditor’s Responsibilities for the Audit of the Separate Financial Statements**

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



11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of separate the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## ***Report on Other Legal and Regulatory Requirements***

15. We were appointed by the General Meeting of Shareholders on 26 October 2023 to audit the separate financial statements of Lion Capital S.A. for the financial years ended December 31, 2024 and December 31, 2025. The uninterrupted total duration of our commitment is six years, covering the financial years ended December 31, 2019 until December 31, 2024.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of the Company that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

## Report on the Information Regarding Income Tax

16. For the financial year preceding the financial year for which the financial statements were prepared, the Company was not required under FSA Norm no. 39/2015, articles 39<sup>2</sup>-39<sup>7</sup> to publish a report on income tax information.

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

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

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

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

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

- the design, implementation and maintenance of internal controls relevant to the application of ESEF;
- ensuring consistency between the Digital Files and the separate financial statements to be submitted in accordance with FSA Norm 39/2015.

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

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

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

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

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

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

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, the separate financial statements for the year ended December 31, 2024 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the separate financial statements. Our audit opinion relating to the separate financial statements of the Company for the year ended December 31, 2024 is set out in the “*Report on the audit of the separate financial statements*” section above.

Irina Dobre, Audit Partner

*For signature, please refer to the original  
Romanian version.*

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

On behalf of:

**DELOITTE AUDIT SRL**

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

The Mark Building, 84-98 and 100-102 Calea Griviței, 9<sup>th</sup> Floor, District 1  
Bucharest, Romania  
March 24, 2025

## STATEMENT

This statement is given pursuant to the provision of Art. 65 par. 2 (c) of Law no. 24/2017, republished, for the financial statements of Lion Capital S.A. prepared as of December 31, 2024, regarding the extent to which they fairly present, in all material respects, the financial position of Lion Capital S.A. as of December 31, 2024, and the result of Company's operations as at that date, in accordance with the requirements of the accounting standards in Romania, namely Accounting Law no. 82/1991, republished, and ASF Norm no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority, from the Financial Instruments and Investments Sector.

We take responsibility for the fair presentation of the financial statements pursuant to the legal regulations listed above. We knowingly and confidently confirm that:

- a) The accounting policies used for the preparing of the separate financial statements are in accordance with the Accounting Regulations approved by ASF Norm no. 39/2015;
- b) The separate financial statements prepared as of December 31, 2024, provide a fair and accurate view of the assets, liabilities, financial position and profit or loss and other comprehensive income and other information related to the activity of the Company;
- c) The Company operates in terms of continuity;
- d) The report of the Board of Directors provides an accurate analysis of the development and performance of the Company, and a description of the main risks and uncertainties specific to the activity carried out.

Chairman and CEO  
Bogdan-Alexandru DRĂGOI

CFO  
Bogdan DUȘU

**STATEMENT OF**  
**Lion Capital S.A. assets and liabilities**  
**AIFRI established by a constitutive act**  
**31.12.2024 - restated**

**Annex 10**  
as per Reg. 7/2020

ITEM	VALUE (RON)
<b>1 Intangible assets</b>	<b>22,051</b>
<b>2 Tangible assets</b>	<b>5,062,722</b>
<b>3 Investment property</b>	<b>11,913,467</b>
<b>4 Biological assets</b>	<b>-</b>
<b>5 Assets representing rights to use the underlying assets in a leasing contract</b>	<b>2,243,002</b>
<b>6 Financial assets</b>	<b>4,110,682,755</b>
<b>6.1 Financial assets measured at amortized cost</b>	<b>-</b>
<b>6.2 Financial assets measured at fair value through profit and loss</b>	<b>1,672,771,691</b>
<b>6.2.1 Shares</b>	<b>1,355,805,778</b>
6.2.1.1 Admitted to trading on a trading venue	988,755,454
6.2.1.2.1 in Romania	988,755,454
6.2.1.2.1.1 Traded in the last 30 trading days	440,285,481
6.2.1.2.1.2 Not traded in the last 30 trading days	548,469,973
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	367,050,323
6.2.1.2.1 in Romania	367,050,323
6.2.1.2.2 in a Member State	-
6.2.1.2.3 in a third country	-
<b>6.2.2 Corporate bonds</b>	<b>-</b>
<b>6.2.2.1 Admitted to trading on a trading venue</b>	<b>-</b>
6.2.2.1.1 in Romania	-
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	-
6.2.2.2.1.2 in a Member State	-
6.2.2.2.1.3 in a third country	-
<b>6.2.2.2 Not admitted to trading</b>	<b>-</b>
<b>6.2.3 Securities of AIF / UCITS</b>	<b>316,965,914</b>
<b>6.2.3.1 Shares</b>	<b>-</b>
<b>6.2.3.2 Fund units</b>	<b>316,965,914</b>
6.2.3.2.1 Admitted to trading on a trading venue	-
6.2.3.2.2 Not admitted to trading	316,965,914
6.2.3.2.2.1 in Romania	269,981,854
6.2.3.2.2.2 in a Member State	-
6.2.3.2.2.3 in a third country	46,984,060
<b>6.3 Financial assets measured at fair value through other comprehensive income</b>	<b>2,437,911,063</b>
<b>6.3.1 Shares</b>	<b>2,042,234,209</b>
6.3.1.1 Admitted to trading on a trading venue	1,864,207,212
6.3.1.2.1 in Romania	1,864,207,212
6.3.1.2.1.1 Traded in the last 30 trading days	1,863,706,622
6.3.1.2.1.2 Not traded in the last 30 trading days	500,590
6.3.1.2.2 in a Member State	-
6.3.1.2.2.1 Traded in the last 30 trading days	-
6.3.1.2.2.2 Not traded in the last 30 trading days	-
6.3.1.2.3 in a third country	-
6.1.1.2.3.1 Traded in the last 30 trading days	-
6.1.1.2.3.2 Not traded in the last 30 trading days	-
6.3.1.2 Not admitted to trading	178,026,997
6.3.1.2.1 in Romania	178,026,997
6.3.1.2.2 in a Member State	-
6.3.1.2.3 in a third country	-
<b>6.3.2 Corporate bonds</b>	<b>1,256,103</b>
6.3.2.1 Admitted to trading on a trading venue	1,256,103
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	-
6.3.2.2.1.3 Newly issued bonds	1,256,103
6.3.2.2.1.2 in a Member State	-
6.3.2.2.1.3 in a third country	-
6.3.2.2 Not admitted to trading	-
<b>6.3.3 Securities of AIF / UCITS</b>	<b>394,420,751</b>
<b>6.3.3.1 Shares</b>	<b>394,420,751</b>
6.3.3.1.1 Admitted to trading on a trading venue	394,420,751
6.3.3.1.1.1 in Romania	394,420,751
6.3.3.1.1.1.1 Traded in the last 30 trading days	394,420,751
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	-
<b>6.3.3.2 Fund units</b>	<b>-</b>
<b>7 Cash available (cash and cash equivalent)</b>	<b>1,178,471</b>
<b>8 Bank deposits</b>	<b>611,737,535</b>
<b>9 Other assets:</b>	<b>92,186,639</b>
9.1 Dividends or other receivables	-
9.2 Other assets	92,186,639
9.2.1 Loans granted to subsidiaries	59,676,154
<b>10 Accrued expenses</b>	<b>332,578</b>
<b>11 Total assets</b>	<b>4,835,359,219</b>
<b>12 Total liabilities</b>	<b>245,750,554</b>
12.1 Financial liabilities measured at amortized cost	14,962,803
12.2 Deferred income tax liabilities	230,787,752
12.3 Other liabilities	-
<b>13 Provisions for risks and expenses</b>	<b>-</b>
<b>14 Deferred income</b>	<b>2,129,455</b>
<b>15 Equity, of which:</b>	<b>4,593,615,460</b>
15.1 Share capital	50,751,006
15.2 Items treated as equity	632,757,735
15.3 Other components of equity	1,436,940,807
15.4 Premium related to capital	-
15.5 Revaluation reserves	2,523,295
15.6 Reserves	4,087,161,971
15.7 Treasury shares	-7,372,959
15.8 Retained earnings	756,788,512
15.9 Retained earnings first-time adoption of IAS 29 (debtor account)	-2,527,669,558
15.10 Result for the period	161,734,651
<b>16 Net Asset Value</b>	<b>4,587,479,210</b>
<b>17 Number of outstanding shares**</b>	<b>505,020,056</b>
<b>18 Net Asset Value per Share</b>	<b>9.0838</b>
<b>19 Number of companies in the portfolio, of which:</b>	<b>36</b>
19.1 Companies admitted to trading on an EU trading venue	23
19.2 Companies admitted to trading on a stock exchange in a third country	-
19.3 Companies not admitted to trading	13

\* The value of treasury shares repurchased during the Public Tender Offer conducted between September 25 and October 8, 2024.

\*\* In accordance with Article 123, paragraph (3) of ASF Regulation no. 9/2014, this section reflects the number of shares issued by the company and outstanding as of the reporting date, which serve as the basis for calculating the net asset value per share. Treasury shares repurchased and held by the company as of the reporting date are excluded. As of this report's date, out of a total of 507,510,056 issued shares, the company holds 2,490,000 treasury shares, repurchased during the public tender offer conducted between September 25 and October 8, 2024.

\*\*\*Net Asset Value as of 31.12.2024 was recalculated as follows: portfolio items (shares) measured on the basis of valuation reports - recorded at values updated as of 31.12.2024, non-portfolio items - based on the final balance sheet underlying the preparation of the standalone annual financial statements subject to the approval of the OGM of April 2025.

This statement is provided as a free translation from Romanian, which is the official and binding version  
**Lion Capital S.A.**

Depository bank  
**Banca Comercială Română**

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

**Assets in Lion Capital portfolio evaluated using valuation methods in accordance with International Valuation Standards  
as of 31.12.2024 - restated**

No.	Name of the issuer	Tax Identification Code	Symbol	No. of shares held	No./date of valuation report	RON / share	Total value	Valuation method
<b>Companies not admitted to trading where LC's stake is&gt; 33% of the share capital</b>								
1	NAPOMAR	199176		10,256,241	301/20.02.2025	1.9406	19,903,261	income approach, discounted cash flow method
2	SAI MUNTENIA INVEST	9415761		119,976	303/20.02.2025	893.6075	107,211,453	income approach, discounted cash flow method
3	SIF SPV TWO	40094500		119,988	306/20.02.2025	86.5513	10,385,117	asset approach, corrected Net Asset method
4	Administrare Imobiliare SA	20919450		16,049,741	309/20.02.2025	3.8347	61,545,942	asset approach, corrected Net Asset method
5	SIF1 IMGB	380430		199,993	304/20.02.2025	1362.1000	272,410,465	asset approach, corrected Net Asset method
6	SIF SPV THREE	49696089		149,850	307/20.02.2025	428.4661	64,205,645	asset approach, corrected Net Asset method
7	SIF SPV FOUR	50270264		149,850	308/20.02.2025	0.9732	145,834	asset approach, corrected Net Asset method
<b>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)</b>								
8	SIF Imobiliare PLC	HE323682	SIFI	4,499,961	305/20.02.2025	98.1659	441,742,722	asset approach, corrected Net Asset method
9	SIF Hoteluri	56150	CAOR	31,820,906	310/20.02.2025	0.6793	21,615,941	income approach, discounted cash flow method
10	IAMU	1766830	IAMU	9,170,588	302.20.02.2025	9.2809	85,111,310	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	3,974,939,216	86.648%
Commitment method	4,587,479,210	100%

**Lion Capital S.A.**

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

ITEM		Beginning of the reporting period [31.11.2024]				End of the reporting period [31.12.2024]				Differences (RON)
		% of net asset	% of total assets	Currency	RON	% of net asset	% of total assets	Currency	RON	
<b>I</b>	<b>Total assets</b>	<b>103.43</b>	<b>98.15</b>	<b>1,623,045</b>	<b>4,743,034,716</b>	<b>105.40</b>	<b>100.03</b>	<b>1,632,115</b>	<b>4,833,727,103</b>	<b>90,701,457</b>
1	Securities and money market instruments, of which:	62.79	59.59	1,251,817	2,825,166,736	62.22	59.04	1,256,103	2,852,962,667	27,800,217
1.1	Securities and money market instruments admitted or traded in a trading venue in Romania, of which:	62.76	59.56	-	2,825,166,736	62.19	59.02	-	2,852,962,667	27,795,931
1.1.1	shares	62.76	59.56	-	2,825,166,736	62.19	59.02	-	2,852,962,667	27,795,931
1.1.2	other securities assimilated to these	-	-	-	-	-	-	-	-	0
1.1.3	corporate bonds	-	-	-	-	-	-	-	-	0
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 in a trading venue in a member state	0.03	0.03	1,251,817.26	-	0.03	0.03	1,256,103	-	4,286
1.2.1	shares	-	-	-	-	-	-	-	-	0
1.2.2	other securities assimilated to these	-	-	-	-	-	-	-	-	0
1.2.3	corporate bonds	0.03	0.03	1,251,817	-	0.03	0.03	1,256,103	-	4,286
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, 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, of which:	11.52	10.93	-	518,528,113	11.88	11.28	-	545,077,320	26,549,207
3.1	shares not admitted to trading	11.52	10.93	-	518,528,113	11.88	11.28	-	545,077,320	26,549,207
4	Bank deposits, of which:	14.96	14.19	-	673,170,869	13.33	12.65	-	611,737,535	-61,433,334
4.1	bank deposits with credit institutions in Romania;	14.96	14.19	-	673,170,869	13.33	12.65	-	611,737,535	-61,433,334
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	0.04	0.04	371,228	1,345,175	0.03	0.02	376,012	802,459	-537,933
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:	13.65	12.96	-	614,637,522	15.51	14.72	-	711,386,665	96,749,143
8.1	AIF shares	-	-	-	303,162,049	-	-	-	394,420,751	91,258,702
8.2	UCITS fund units	-	-	-	311,475,473	-	-	-	316,965,914	5,490,441
9	Dividends or other rights receivable	-	-	-	-	-	-	-	-	0
10	Other assets (amounts in transit, amounts with distributors, with brokers, etc.).	2.45	2.32	-	110,186,301	2.44	2.31	-	111,760,459	1,574,157
10.1	Loans granted to subsidiaries	1.32	1.25	-	59,390,633	1.30	1.23	-	59,676,154	285,521
<b>II</b>	<b>Total liabilities</b>	<b>5.41</b>	<b>5.13</b>	<b>-</b>	<b>243,425,116</b>	<b>5.40</b>	<b>5.13</b>	<b>-</b>	<b>247,880,009</b>	<b>4,454,893</b>
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	5.41	5.13	-	243,425,116	5.40	5.13	-	247,880,009	4,454,893
10	Redemptions payable	-	-	-	-	-	-	-	-	0
11	Other liabilities	-	-	-	-	-	-	-	-	0
<b>III</b>	<b>Net Asset Value (I-II)</b>	<b>100.00</b>	<b>94.89</b>	<b>1,623,045</b>	<b>4,499,609,601</b>	<b>100.00</b>	<b>94.90</b>	<b>1,632,115</b>	<b>4,585,847,094</b>	<b>86,246,563</b>

Table 2

## Statement of net asset value per share 31.12.2024 - restated

RON

ITEM	Current period	Corresponding period of the previous year	Differences
<b>Net Asset Value</b>	<b>4,587,479,210</b>	<b>4,095,059,742</b>	<b>492,419,468</b>
Number of fund units / shares outstanding, of which held by	505,020,056	506,520,056	-1,500,000
- individuals	205,038,426	204,453,470	584,956
- legal entities	299,981,630	302,066,586	-2,084,956
<b>Net asset value per share</b>	<b>9.0838</b>	<b>8.0847</b>	<b>0.9991</b>
Number of investors, of which:	5,735,100.0000	5,737,764.0000	-2,664
- individuals	5,734,984	5,737,638	-2,654
- legal entities	116	126	-10



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

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

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

4. Preference rights / allocation rights  
Not the case

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

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 in a trading venue in Romania

B. Amounts being settled for securities admitted or traded in a trading venue in Romania						
Issuer	Type of security	Symbol	Value per unit	No. of traded securities	Total value	Stake of issuer's share capital/total bonds of a issuer
			RON		RON	%
<b>TOTAL</b>						%

II. Securities admitted or traded in a trading venue in a Member State

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

Issuer	ISIN code	Date of last trading session	No. of shares held	Nominal value*	Value of share	NBR currency rate EUR/RON	Total value	Stake in issuer's share capital	Weight in AIFRI total assets
				foreign currency	foreign currency	RON	RON	%	%

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

Issuer	ISIN code	Date of last trading session	No. of bonds held	No. Of bonds held	Date of purchase	Date of coupon	Initial value	Daily growth	Accumulated interest
							EUR	EUR	EUR
SNGN ROMGAZ	XS2914558593	-	250	30.09.2024	07.10.2024	06.10.2025	249,717.50	32.53	2,797.95
TOTAL									

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 in a trading venue in a Member State

Not the case

### **III. Securities admitted or traded on a stock exchange 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 stock exchange in a third country**

Not the case

#### **IV. Money market instruments admitted or traded in a trading venue in Romania**

**Amounts under settlement for money market instruments admitted or traded in a trading venue in Romania**

Not the case

**V. Money market instruments admitted or traded in a trading venue in another Member State**

**Amounts under settlement for money market instruments admitted or traded in a trading venue in another Member :**

Not the case

**VI. Money market instruments admitted or traded on a stock exchange in a third country**

**Amounts under settlement for money market instruments admitted or traded on a stock exchange in a third country**

Not the case

## VII. Newly issued securities

### 1. Newly issued shares

### 2. Newly issued bonds

Issuer	No. of bonds held	Date of acquisition

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

Not the case

VIII. Other securities and money market instruments

VIII.1 Other securities

1. Shares not admitted to trading

Nr. crt.	Issuer	No. of shares held	Nominal value	Value of share	Total value	Stake in issuer's share capital	Weight in AIFRI total assets
			RON	RON	RON	%	%
1	SIF 1 IMGB	199,993	2.50	1362.10	272,410,465	100.00	5.64
2	SAI MUNTENIA INVEST	119,976	10.00	893.61	107,211,453	99.98	2.22
3	ADMINISTRARE IMOBILIARE	16,049,741	2.50	3.83	61,545,942	97.40	1.27
4	SIF SPV THREE	149,850	408.00	428.47	64,205,645	99.90	1.33
5	NAPOMAR	10,256,241	1.60	1.94	19,903,261	99.43	0.41
6	EXIM BANCA ROMANEASCA	414,740	6.00	13.23	5,487,632	0.32	0.11
7	SIF SPV TWO	119,988	1.00	86.55	10,385,117	99.99	0.21
8	DEPOZITARUL CENTRAL	9,878,329	0.10	0.16	1,601,277	3.91	0.03
9	CCP.RO BUCHAREST	189,672	10.00	8.10	1,536,078	1.61	0.03
10	SPUMOTIM	12,398	2.50	38.56	478,094	3.99	0.01
11	APRO HOREA	8,220	2.50	19.40	159,474	13.54	0.00
12	SIF SPV FOUR	149,850	1.00	0.97	145,834	99.90	0.00
13	AUTODANUBIUS	11,653	2.50	0.60	7,047	14.04	0.00
<b>TOTAL</b>					<b>545,077,320</b>		<b>11.28</b>

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
<b>TOTAL</b>						

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 mentioned

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
1	Banca TRANSILVANIA	774,146	0.02
2	Banca Comerciala Romana	1,661	0.00
3	Intesa SanPaolo	18,810	0.00
4	Exim Banca Romaneasca	2,095	0.00
5	BRD-G.S.G	1,911	0.00
6	CEC Bank	913	0.00
7	Unicredit Bank	988	0.00
8	Lion Capital - petty cash	1,934	0.00
<b>TOTAL</b>		<b>802,458.58</b>	<b>0.02</b>

## 2. Current accounts and cash, demominated in EURO

No.	Bank name	Present value	NBR exchange rate	Present value in RON	Weight in total assets of AIFRI
		<b>foreign currency</b>			<b>%</b>
1	Banca Comerciala Romana	70,024.07	4.9741	348,307	0.01
2	Banca Transilvania	1,877.85	4.9741	9,341	0.00
3	Exim Banca Romaneasca- cont curent	1,285.64	4.9741	6,395	0.00
4	CECBank - cont curent	1,088.57	4.9741	5,415	0.00
5	BRD G.S.G.	5.86	4.9741	29	0.00
<b>TOTAL</b>				<b>369,486</b>	<b>0.01</b>

## 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
		<b>foreign currency</b>			<b>%</b>
1	Banca TRANSILVANIA	848.79	4.7768	4,055	0.00
2	Banca Comerciala Romana	185.46	4.7768	886	0.00
<b>TOTAL</b>				<b>4,940</b>	<b>0.00</b>

## 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
1	Banca TRANSILVANIA	264.50	5.9951	1,586	0.00
<b>TOTAL</b>				<b>1,586</b>	<b>0.00</b>

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

1. Bank deposits denominated in RON

Nr. crt.	Denumire bancă	Set up date	Maturity date	Initial value	Daily increase	Accrued interest	Total value	Weight in total assets of AIFRI
				RON	RON	RON	RON	%
	Banca Transilvania							
1		17/10/2024	08/01/2025	10,000,000	1,416.67	107,666.67	10,107,667	0.21
2		17/10/2024	08/01/2025	5,000,000	708.33	53,833.33	5,053,833	0.10
3		17/10/2024	08/01/2025	15,000,000	2,125.00	161,500.00	15,161,500	0.31
4		18/10/2024	08/01/2025	7,000,000	991.67	74,375.00	7,074,375	0.15
5		18/10/2024	08/01/2025	15,000,000	2,125.00	159,375.00	15,159,375	0.31
6		18/10/2024	08/01/2025	10,000,000	1,416.67	106,250.00	10,106,250	0.21
7		18/10/2024	08/01/2025	3,000,000	425.00	31,875.00	3,031,875	0.06
8		21/11/2024	13/02/2025	5,000,000	729.17	29,895.83	5,029,896	0.10
9		21/11/2024	13/02/2025	15,000,000	2,187.50	89,687.50	15,089,688	0.31
10		21/11/2024	13/02/2025	3,000,000	437.50	17,937.50	3,017,938	0.06
11		21/11/2024	13/02/2025	20,000,000	2,916.67	119,583.33	20,119,583	0.42
12		12/12/2024	13/03/2025	9,000,000	1,375.00	27,500.00	9,027,500	0.19
13		12/12/2024	13/03/2025	5,000,000	763.89	15,277.78	5,015,278	0.10
14		12/12/2024	13/03/2025	30,000,000	4,583.33	91,666.67	30,091,667	0.62
15		12/12/2024	13/03/2025	20,000,000	3,055.56	61,111.11	20,061,111	0.41
16		12/12/2024	13/03/2025	20,000,000	3,055.56	61,111.11	20,061,111	0.41
17		12/12/2024	13/03/2025	15,000,000	2,291.67	45,833.33	15,045,833	0.31
18		12/12/2024	13/03/2025	10,000,000	1,527.78	30,555.56	10,030,556	0.21
19		12/12/2024	13/03/2025	30,000,000	4,583.33	91,666.67	30,091,667	0.62
	Banca Comercială Română							
20		31/12/2024	03/01/2025	560,000	78.56	78.56	560,079	0.01
21		28/11/2024	20/02/2025	20,000,000	3,044.44	103,511.11	20,103,511	0.42
22		28/11/2024	20/02/2025	5,000,000	761.11	25,877.78	5,025,878	0.10
23		28/11/2024	20/02/2025	10,000,000	1,522.22	51,755.56	10,051,756	0.21
24		28/11/2024	20/02/2025	15,000,000	2,283.33	77,633.33	15,077,633	0.31
25		09/12/2024	06/03/2025	6,000,000	913.33	21,006.67	6,021,007	0.12
	EXIM Banca Românească							
26		24/10/2024	16/01/2025	15,000,000	2,208.33	152,375.00	15,152,375	0.31
27		24/10/2024	16/01/2025	25,000,000	3,680.56	253,958.33	25,253,958	0.52
28		24/10/2024	16/01/2025	20,000,000	2,944.44	203,166.67	20,203,167	0.42
29		24/10/2024	16/01/2025	4,850,000	714.03	49,267.92	4,899,268	0.10
30		24/10/2024	16/01/2025	5,000,000	736.11	50,791.67	5,050,792	0.10
31		24/10/2024	16/01/2025	10,000,000	1,472.22	101,583.33	10,101,583	0.21
32		01/11/2024	23/01/2025	5,060,000	737.92	45,012.92	5,105,013	0.11
33		01/11/2024	23/01/2025	15,000,000	2,187.50	133,437.50	15,133,438	0.31
34		01/11/2024	23/01/2025	5,000,000	729.17	44,479.17	5,044,479	0.10
35		01/11/2024	23/01/2025	20,000,000	2,916.67	177,916.67	20,177,917	0.42
36		08/11/2024	30/01/2025	10,000,000	1,458.33	78,750.00	10,078,750	0.21
37		08/11/2024	30/01/2025	5,000,000	729.17	39,375.00	5,039,375	0.10
38		08/11/2024	30/01/2025	10,000,000	1,458.33	78,750.00	10,078,750	0.21
39		14/11/2024	06/02/2025	25,000,000	3,680.56	176,666.67	25,176,667	0.52
40		14/11/2024	06/02/2025	20,000,000	2,944.44	141,333.33	20,141,333	0.42
41		14/11/2024	06/02/2025	15,000,000	2,208.33	106,000.00	15,106,000	0.31
42		14/11/2024	06/02/2025	10,000,000	1,472.22	70,666.67	10,070,667	0.21
43		14/11/2024	06/02/2025	3,168,000	466.40	22,387.20	3,190,387	0.07
44		14/11/2024	06/02/2025	30,000,000	4,416.67	212,000.00	30,212,000	0.62
45		14/11/2024	06/02/2025	10,000,000	1,472.22	70,666.67	10,070,667	0.21
46		09/12/2024	28/02/2025	20,000,000	3,055.56	70,277.78	20,070,278	0.42
47		09/12/2024	28/02/2025	15,000,000	2,291.67	52,708.33	15,052,708	0.31
48		09/12/2024	28/02/2025	5,000,000	763.89	17,569.44	5,017,569	0.10
49		09/12/2024	28/02/2025	1,090,000	166.53	3,830.14	1,093,830	0.02
	TOTAL						611,737,535	12.65

2. Bank deposits denominated in foreign currency

No.	Bank name	Set up date	Maturity date	Initial value	Daily increase	Accrued interest	NBR exchange rate EUR/RON	Total value	Weight in total assets of AIFRI
				currency	currency	currency	RON	RON	%
	TOTAL								

## **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, as per art. 35 par (1) le**

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	Longshield Investment Group	30.12.2024	140,663,575		1.9300	271,480,700	18.4815	5.62
2	Infinity Capital Investments	30.12.2024	50,801,674		2.4200	122,940,051	10.6951	2.54
	Fund units							
1	Fondul Inchis de Investitii ACTIVE PLUS		5,407.7227	15,173.29		82,052,945	55.9324	1.70
2	FIA CERTINVEST ACTIUNI		307.6000	406,666.14		125,090,505	59.3654	2.59
3	FIAIP OPTIM INVEST		3,494.6900	14,120.43		49,346,526	51.6488	1.02
4	ROMANIA STRATEGY FUND Klasse B		58,000.0000	810.07		46,984,060	50.8772	0.97
5	FIA STAR VALUE		9,382.0000	1,438.06		13,491,879	23.5211	0.28
	TOTAL					711,386,665		14.72

2. Equity securities denominated in foreign currency

Not the case

3. Amounts under settlement for equity securities denominated in RON

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

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

Not the case

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

No.	Issuer	Stock symbol	Ex-dividend date	No. of shares held	Gross dividend	Amount receivable	Weight in total assets of AIFRI
					RON	RON	%
	TOTAL						

**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
	TOTAL					

**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	Weight in total assets of AIFRI
				0	0	
	TOTAL					

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

	31.12.2024	30.11.2024	31.10.2024
Net asset value	4,587,479,210	4,501,232,646	4,626,402,155
Net asset value per share	9.0838	8.9130	9.1608

Explanatory note:

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

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

Method for calculating AIFRI exposure	Exposure value (RON)	Leverage (%)
Gross method	3,974,939,216	86.65%
Commitment method	4,587,479,210	100%

Lion Capital S.A.

Certification of Depositary Bank,  
Banca Comercială Română



## COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE ISSUED BY BVB (Bucharest Stock Exchange)

Provisions of the Code	Compliance	Explanations
<b>Section A - Responsibilities</b>		
<b>A.1.</b> All companies should have internal regulation of the Board which includes terms of reference / responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.	YES	
<b>A.2.</b> Provisions for the management on conflict of interest should be included in Board regulation.	YES	
<b>A.3.</b> The Board of Directors should have at least five members.	YES	
<b>A.4.</b> The majority of the members of the Board should be non-executive. Not less than two non-executive members of the Board of Directors should be independent, in the case of Premium Tier Companies. Each member of the Board should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgment.	NO	Only one member of the Board of Directors is independent; however, as of 31.12.2024, one position is vacant.
<b>A.5.</b> A Board member's other relatively permanent professional commitments and engagements, including executive and nonexecutive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during their mandate.	YES	
<b>A.6.</b> Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights.	YES	
<b>A.7.</b> The company should appoint a Board secretary responsible for supporting the work of the Board.	YES	
<b>A.8.</b> The corporate governance statement should inform on whether an assessment of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the assessment of the Board containing the purpose, criteria, and frequency of the assessment process.	YES	
<b>A.9.</b> The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.	YES	
<b>A.10.</b> The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors.	YES	
<b>A.11.</b> The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.	NO	Only one member of the Audit Committee is independent.

## COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE ISSUED BY BVB (Bucharest Stock Exchange)

Provisions of the Code	Compliance	Explanations
<b>Section B - Risk management and internal control system</b>		
<b>B.1.</b> The Board should set up an audit committee, and at least one member should be an independent non-executive. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.	NO	Only one member of the Audit Committee is independent.
<b>B.2.</b> The audit committee should be chaired by an independent non-executive member.	YES	
<b>B.3.</b> Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.	YES	
<b>B.4.</b> The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness, and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.	YES	
<b>B.5.</b> The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.	YES	
<b>B.6.</b> The audit committee should evaluate the efficiency of the internal control system and risk management system.	YES	
<b>B.7.</b> The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.	YES	
<b>B.8.</b> Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by periodical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	YES	
<b>B.9.</b> No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties	YES	
<b>B.10.</b> The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the audit committee.	YES	
<b>B.11.</b> The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.	YES	
<b>B.12.</b> To ensure the fulfilment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.	YES	

## COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE ISSUED BY BVB (Bucharest Stock Exchange)

Provisions of the Code	Compliance	Explanations
<b>Section C - Fair rewards and motivation</b>		
<p><b>C.1.</b> The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review.</p> <p>Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.</p>	YES	
<b>Section D - Building value through investors' relations</b>		
<p><b>D.1.</b> The company should have an Investor Relations function - indicated, by person(s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including: <b>D.1.1.</b> Principal corporate regulations: the articles of association, general shareholders' meeting procedures. <b>D.1.2.</b> Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and non-executive Board positions in companies and not-for-profit institutions; <b>D.1.3.</b> Current reports and periodic reports (quarterly, half-yearly and annual reports); <b>D.1.4.</b> Information related to general meetings of shareholders; <b>D.1.5.</b> Information on corporate events; <b>D.1.6.</b> The name and contact data of a person who should be able to provide knowledgeable information on request; <b>D.1.7.</b> Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.</p>	YES	
<p><b>D.2.</b> A company should have an annual cash distribution or dividend policy. The annual cash distribution or dividend policy principles should be published on the corporate website.</p>	YES	
<p><b>D.3.</b> A company should have adopted a policy with respect to forecasts, whether they are distributed or not. The forecast policy should be published on the corporate website.</p>	YES	
<p><b>D.4.</b> The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.</p>	YES	
<p><b>D.5.</b> The external auditors should attend the shareholders' meetings when their reports are presented there.</p>	YES	
<p><b>D.6.</b> The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.</p>	YES	
<p><b>D.7.</b> Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.</p>	YES	

## COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE ISSUED BY BVB (Bucharest Stock Exchange)

Provisions of the Code	Compliance	Explanations
<b>D.8.</b> The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net profit, and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES	
<b>D.9.</b> A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.	partially	communication with shareholders / investors / analysts in 2024 was not formalized in events such as conference calls
<b>D.10.</b> If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	YES	

This Statement summarises the main highlights of the Code's provisions, in an edited format. The full text of the Code is available on Bucharest Stock Exchange website: [www.bvb.ro](http://www.bvb.ro)  
This Statement is provided as a free translation from Romanian, which is the official and binding version.

**Statement approved by the Board of Directors of Lion Capital in the meeting held on March 24, 2025.**

**Bogdan-Alexandru DRĂGOI**

Chairman of the Board of Directors

**LION CAPITAL'S STATEMENT ON THE APPLICATION  
OF THE PRINCIPLES OF CORPORATE GOVERNANCE AS OF 31.12.2024**  
pursuant to Regulation no. 2/2016 with subsequent amendments

No.	Rules for the application of the principles of corporate governance	Conformity YES  NO	If NO – explanations
1.	The regulated entity defined in its instruments of incorporation and internal policies the responsibilities of the board on the implementation and compliance with the principles of corporate governance.	YES	
2.	The internal policies and / or regulations lay down the corporate governance structures, functions, competences and responsibilities of the board and executive management/senior management.	YES	
3.	The annual financial statements of the regulated entity are accompanied by the annual report of the remuneration committee and an explanatory note which shall describe the relevant events in connection with the application of the principles of corporate governance, occurring over the financial year.	YES	
4.	The regulated entity has drawn up a communication strategy with the stakeholders, to ensure a proper information.	YES	
5.	The structure of the Board ensures, if the case, a balance between the executive and non-executive members so that no person or small group of persons influences the decision-making process.	YES	
6.	The Board is convened at least every three months to monitor the performance of the regulated entity's business.	YES	
7.	The Board or the executive management/senior management, as the case, regularly reviews the policies on the financial reporting, internal control and risk management system adopted by the regulated entity.	YES	
8.	In fulfilling its duties, the board is assisted by a remuneration committee issuing recommendations.	YES	
9.	The Remuneration Committee submit to the Board annual reports on its activity.	YES	
10.	In its activity, the Board has the support of other advisory committees issuing recommendations concerning various topics that are the subject of decision-making process	YES	
11.	The advisory committees submit to the Board works/reports on the topics entrusted by it.	YES	
12.	The procedures / policies / internal regulations of the regulated entities there are provisions concerning the selection of applications for the persons of the executive management/senior management, appointment of new persons or renewal of the existing mandates.	YES	
13.	The regulated entity shall ensure that the executive management/senior management undergo continuous professional training so that it efficiently performs its tasks.	YES	
14.	Key functions are established so as they match the organisational structure of the regulated entity compliant with the applicable regulations.	YES	
15.	The Board regularly reviews the efficiency of the internal control system of the regulated entity and its update manner to ensure a rigorous management of the risks to which the regulated entity is exposed.	YES	
16.	The audit committee makes recommendations to the Board on the selection, appointment and replacement of the financial auditor, and on the terms and conditions of its remuneration.	YES	
17.	At least once a year the Board reviews and ensures that the remuneration policies are consistent and are subject to an efficient risk management.	YES	
18.	The remuneration policy of the regulated entity is set out in the internal regulations on the implementation and compliance with the principles of corporate governance.	YES	

No.	Rules for the application of the principles of corporate governance	Conformity		If NO – explanations
		YES	NO	
19.	The Board has adopted a procedure for the identification and proper settlement of any conflict of interest.	YES		
20.	The executive management/senior management, as appropriate, informs the Board on potential or consumed conflicts of interest where they could be / is involved in the conditions of their occurrence and do not participate in the decision-making process related to the conflict state if these structures or persons are involved in the respective conflict state.	YES		
21.	At least once a year the Board analyses the efficiency of the risk management system of the regulated entity.	YES		
22.	The regulated entity has drawn up procedures for the identification, assessment, and management of the significant risks to which it is or is likely to be exposed.	YES		
23.	The regulated entity has in place clear action plans for the continuity of its business and for any emergency situations.	YES		
24.	The Board of the subsidiary applies principles and policies of internal governance similar to those of the parent company, unless there are other legal requirements that lead to the establishment of own policies.	-	-	The company does not have subsidiary status within a group. The entities that are part of company's consolidation scope comply with the principles and governance policies regulated by Law no. 31/1990, Law no. 24/2017 and BVB (BSE) Corporate Governance Code, as applicable.

This Statement is provided as a free translation from Romanian, which is the official and binding version, approved by the Board of Directors in the meeting held on March 24, 2025.

**Bogdan-Alexandru DRĂGOI**  
Chairman of the Board of Directors

## **Annual Report of the Nomination and Remuneration Committee for the year 2024**

- prepared as per the provisions of ASF Regulations no. 10/205 and no. 2/2016 -

The Nomination and Remuneration Committee (NRC) is a permanent committee, having advisory function, subordinated to the Board of Directors of Lion Capital S.A.

The Committee is comprised of three members elected from non-executive members of the Board, in compliance with the independence requirements provided by the law on trading companies. CNR membership status does not prevent members from participating in the activity of other committees of the Board of Directors.

During the exercise of the mandate, NRC members will not hold positions, qualities and will not carry out transactions that could be considered incompatible with the mission of the committee.

According to the Company's internal regulations, NRC meets regularly, at least twice a year, and whenever it sees fit.

NRC assists the Board of Directors in fulfilling its responsibilities for the nomination of the candidates for leadership positions, their assessment and formulates proposals on their remuneration. Also, the CNR recommends to the Board of Directors the appointment or dismissal of the personnel with key and control functions within the Company, the level of remuneration and their rights and duties. At the same time, CNR participates in the development and review of remuneration policies applicable at the Company level.

The Nomination and Remuneration Committee has mainly the following responsibilities, stipulated in the Company's internal regulations:

- prepares and recommends the guidelines for the selection of the members of the Board of Directors, including the criteria for evaluating their independence;
- evaluates and proposes to the Board of Directors candidates for their appointment, reappointment or dismissal in / as a member of the Board;
- prepares the evaluation of the performance of the members of the Board of Directors, using a self-assessment process and assesses, at least once a year, the independence and adequacy of the members of the Board of Directors;
- assesses, at least once a year, the independence of the members of the Board of Directors;
- verifies, at least once a year, the number of mandates held by members of the Board of Directors and (executive) directors in other companies;
- prepares recommendations to the Board of Directors for the appointment or dismissal of the personnel having key and control functions within the Company, as well as for establishing the level of remuneration and their rights and duties;
- formulates proposals, submitting them to the Board of Directors, on the remuneration policy of the members of the executive and non-executive management structure (including bonuses, incentives and stock option plans), ensuring that they are at the correct level, in accordance with corporate governance rules, best practices on the market, that are aligned with the Company's strategy and performance, long-term shareholders' interests, using a balanced combination of incentives to attract, motivate and retain highly qualified and experienced persons in leadership positions;
- analyses and formulates proposals for the attention of the Board regarding the total annual package of variable remuneration within the Company;
- formulates proposals for the attention of the Board on the preparation of the remuneration policy at the Company level and revises the annual remuneration report.

During 2024, the Nomination and Remuneration Committee had the following composition:

- **Sorin MARICA** - Chairman of the Committee
- **Marcel PFISTER** – member
- **Ionel Marian CIUCIOI** - member.

In 2024, the Nomination and Remuneration Committee met 14 times, issuing reports and/or resolutions of NRC addressed to the Board of Directors.

The activity of NRC in 2024 addressed the following:

#### Analysis and recommendation on the initiation of a Share-based Payment Plan

By Resolution no. 4 of April 27, 2023, the extraordinary general meeting of shareholders approved the execution of a share buyback program (Program 7), in accordance with the applicable legislation, for up to 990,000 shares to be distributed free of charge to members Company's management, within a share-based payment plan of a "Stock Option Plan" type, in compliance with the legislation in force.

By Resolution no. 5 of April 27, 2023, the extraordinary general meeting of shareholders approved the use of the shares purchased under Buyback Program 7 to be distributed free of charge to the members of the Company's management (administrators, directors), within a share-based payment plan of a Stock Option Plan (SOP) type, compliant with the legislation in force. By the same Resolution no. 5 of April 27, 2023, the extraordinary general meeting of shareholders empowered the company's Board of Directors to adopt all the necessary measures and fulfil all the formalities required for the approval and implementation of the SOP.

In the meeting of February 2, 2024, the Nomination and Remuneration Committee analysed and submitted to the Board of Directors the recommendation to initiate the share-based payment plan (Stock Option Plan) approved by Resolutions no. 4 and no. 5 of the EGM of April 27, 2023. At the same time, the CNR analysed and decided on the criteria necessary for the vesting, so that the objectives for the vesting of the beneficiaries comply with the Remuneration Policy approved by the shareholders.

The CNR submitted to the Board of Directors the proposal for the approval of the SOP, the model of the share-based payment agreement and the list of beneficiaries.

According to the SOP, the exercise of the right to receive shares free of charge is done after the 12-month period from the signing of the share-based payment agreement, but not more than 14 months, from the conclusion of the written agreement with the Company for the exercise of the right to option to receive free of charge shares issued by Lion Capital.

The CNR proposals were approved by the Board of Directors. The disclosure document on the offer or allocation of shares to the members of the management of Lion Capital, prepared in accordance with the provisions of Regulation (EU) 2017/1129 and ASF Regulation no. 5/2018, was published by the company according to the legal provisions, on February 6, 2024.

#### Analysis and recommendation on the initiation of a Share-based Payment Plan

By Resolution no. 3 of April 29, 2024, the extraordinary general meeting of shareholders approved the execution of a share buyback program (Program 8), in accordance with the applicable legislation, for up to 990,000 shares to be distributed free of charge to members Company's management, within a share-based payment plan of a "Stock Option Plan" type, in compliance with the legislation in force.

By Resolution no. 4 of April 29, 2024, the extraordinary general meeting of shareholders, the extraordinary general meeting of shareholders empowered the company's Board of Directors to adopt all the necessary measures and fulfil all the formalities required for the approval and implementation of the SOP.

In the meeting of June 7, 2024, the Nomination and Remuneration Committee analysed and submitted to the Board of Directors the recommendation to initiate the share-based payment plan (Stock Option Plan) approved by Resolutions no. 3 and no. 4 of the EGM of April 29, 2024. At the same time, the CNR analysed and decided on the criteria necessary for the vesting, so that the objectives for the vesting of the beneficiaries comply with the Remuneration Policy approved by the shareholders.

The CNR submitted to the Board of Directors the proposal for the approval of the SOP, the model of the share-based payment agreement and the list of beneficiaries.



According to the SOP, the exercise of the right to receive shares free of charge is done after the 12-month period from the signing of the share-based payment agreement, but not more than 14 months, from the conclusion of the written agreement with the Company for the exercise of the right to option to receive free of charge shares issued by Lion Capital.

The CNR proposals were approved by the Board of Directors. The disclosure document on the offer or allocation of shares to the members of the management of Lion Capital, prepared in accordance with the provisions of Regulation (EU) 2017/1129 and ASF Regulation no. 5/2018, was published by the company according to the legal provisions, on June 11, 2024.

### Analysis and recommendation regarding the transfer of shares to beneficiaries under the ongoing share-based payment program

In the meeting of March 11, 2024, CNR analysed the fulfilment of the necessary conditions for vesting the beneficiaries of the Stock Option Plan program approved by EGM on April 28, 2022, implemented by the Board of Directors and reported to the market by the Company on March 13, 2023, together with the "Disclosure document on the offer or allocation of shares to the members of SIF Banat-Crişana (now Lion Capital S.A.) management" prepared in accordance with the provisions of EU Regulation no. 1129/2017 and ASF Regulation no. 5/2018.

CNR ascertained that after the completion of the 12-month period from the signing of the share-based payment agreements, the beneficiaries of the share-based payment plan exercised their right to receive a number of 990,000 SIF1 (currently LION) shares, representing 0.195% of the share capital at that time. At the same time, in accordance with the responsibilities and competencies held, CNR has determined the fulfilment of the necessary conditions for the beneficiaries to vest their rights, as agreed upon in the agreements signed with them, and has submitted for approval by the Board of Directors the transfer of ownership of the 990,000 shares to the beneficiaries of the SOP program, in accordance with their exercised rights.

By the current report dated March 15, 2024, the Company informed the investors on the completion of the share-based payment plan, with the direct transfer of shares to the beneficiaries in the records of the Central Depository being made. The information provided for in art. 19 of EU Regulation 596/2014 regarding these transactions have been made public and are available on the company's website in the *Investor Relations* section.

### Analysis of the monthly remuneration and the limits of additional remuneration of the members of the Board for 2024 FY

Given that: (i) according to the Internal Regulations of the Company, the Nomination and Remuneration Committee has the authority to formulate proposals to the Board of Directors regarding the remuneration policy for the members of the executive and non-executive management structure; (ii) on the agenda of the OGM convened for April 29 (30), 2024, there was the discussion and approval of the remuneration due to the members of the Board of Directors and the general limits of all additional remuneration of the members of the Board of Directors and the general limits of the directors' remuneration, for 2024 FY, NRC analysed in the meeting of March 26, 2024 the level of monthly remuneration and the limits of additional remuneration of Board members and directors' remuneration.

To maintain the proportionality of remuneration granted to Board members (executive and non-executive) with the specific responsibilities of their position, to ensure adequate and responsible remuneration and considering the current economic and geo-politic context, urging caution, NRC deemed it appropriate to maintain the remuneration's level for the year 2024.

The Nomination and Remuneration Committee submitted to the Board of Directors the recommendation to propose to the ordinary general meeting of shareholders convened for April 29 (30), 2024:

- approval of maintaining the remuneration due to the members of the Board of Directors for the 2024 FY at the level established by the OGM Resolution of April 26, 2016, of RON 10,000 net per month;
- approval of the general limits of all additional remuneration of the members of the Board of Directors and of the general limits of the directors' remuneration, for 2024 FY, at the level established by OGM Resolution no. 7 of April 27, 2020, in the amount of 0.42% of the annual average net assets.

The Board of Directors included the NRC recommendation as a proposal to the OGM convened for April 29 (30), 2024, which approved this resolution.

### The assessment of the person proposed for the position of director

In accordance with the provisions of *ASF Regulation no. 1/2019 on the assessment and approval of members of the management structure and key function holders within entities regulated by the Financial Supervisory Authority ("R1/2019")*, as well as the *Internal Procedure for the assessment of members of the management structure and key function holders within the company (POEV 01-2)*, the Nomination and Remuneration Committee ("NRC") conducted the assessment of Mr Daniel-Florin Gavrilă, proposed for the position of Director, for the purpose of delegating the management of the company to him, within the limits of the responsibilities and competencies set forth by the Internal Regulations and the Decision-Making and Signing Competencies of Lion Capital S.A., as approved by the Board decision, for this position.

During the meetings held on January 12, 2024, and February 12, 2024, the NRC carried out the assessment of Mr. Florin-Daniel Gavrilă for the position of Director.

### Acknowledgment of the Resignation of a Board Member

During the meeting held on September 24, 2024, the members of the Nomination and Remuneration Committee (NRC) convened to acknowledge the resignation of Mr Radu Răzvan Străuț from his positions as Board Member, Vice Chairman of the Board of Directors, and Deputy CEO.

Following the review of Mr Radu Răzvan Străuț's activity within Lion Capital, the NRC members recommended granting a financial compensation for his entire tenure at the company. The specific amount was to be determined during the Board of Directors meeting, considering compliance with the budgetary limits for the 2024 financial year, as approved by the resolution of the Ordinary General Meeting of Shareholders of Lion Capital on April 29, 2024.

### Analysis of the topics on the agenda of the Board convened for October 4, 2024

The Nomination and Remuneration Committee convened on October 4, 2024, to review and decide on the following matters: (i) Approval of the individual assessment of Mr Rachid El Lakis, proposed for the position of interim Board Member; (ii) Approval of the collective assessment of the Board of Directors; (iii) Approval of the preliminary assessment of candidates nominated for a Board Member position in view of the Ordinary General Meeting of Shareholders (OGMS) convened for October 31 / November 1, 2024; (iv) Approval of the list of proposed candidates for the Board Member position in the elections held during the OGMS on October 31 / November 1, 2024, for publication on the Company's website; (v) Approval of the supplementation of the payment amount, initially approved by the Board of Directors on September 25, 2024, and granted to Mr. Radu-Răzvan Străuț.

In accordance with the provisions of R1/2019 and the internal procedure on the assessment of members of the management structure and persons holding key positions within the Company, CNR assessed Mr Rachid El Lakis, proposed for the position of interim Board Member.

During the evaluation process, the provisions of R1/2019 were duly observed, with the criteria established by the regulation being assessed based on the documents and information provided by the evaluated individual (diplomas and certificates, CVs, declarations in compliance with R1/2019, etc.), as well as other data and information available to the NRC members (internal audit and compliance reports, publicly available information, etc.).

The conclusions of the evaluation process were based on an analysis of the information contained in the submitted documents, the assessment of data regarding reputation, integrity, honesty, and independent thinking, as well as direct discussions with the individual concerned and the review of their professional activity.

The evaluation results were recorded in the individual assessment form, which documents the description of the position under evaluation, its role, and the assessment of suitability based on the following criteria: a) relevant experience for carrying out the specific responsibilities; b) knowledge, skills, and relevant

experience; c) time commitment for fulfilling the role; d) assessment of reputation, honesty, and integrity; e) governance-related criteria.

Following the evaluation, the NRC determined that Mr Rachid El Lakis possesses the necessary knowledge, skills, and professional experience and meets the requirements for reputation, honesty, integrity, and governance as stipulated by ASF Regulation no. 1/2019, as amended and supplemented, Law no. 74/2015, and ASF Regulation no. 10/2015, required for fulfilling the specific responsibilities of a Board Member.

Additionally, in accordance with the provisions of Article 23, in conjunction with Article 26 of ASF Regulation no. 1/2019, the Nomination and Remuneration Committee (NRC) conducted a collective assessment of the management structure at the Board of Directors level. This assessment was performed using the suitability matrix provided in Annex no. 4 of ASF Regulation no. 1/2019, adapted by the company in accordance with its specific activities and risks, while also considering the principles and criteria outlined in Article 4 of the same regulation. In assessing suitability, the NRC also considered the criteria mentioned in Annex no. 3 of ASF Regulation no. 1/2019. As a result, the NRC concluded that the members of the Board of Directors possess the required knowledge, skills, and professional experience and meet the reputation, honesty, integrity, and governance requirements set forth by ASF Regulation No. 1/2019 for fulfilling the specific responsibilities of their roles. Furthermore, no concerns were identified regarding the suitability of any board member or the overall management structure of the Board of Directors.

The NRC proceeded with the evaluation of Mr Bogdan-Alexandru Drăgoi, Mr Rachid El Lakis, Mr Marcel Heinz Pfister, and Mr Sorin Marica, who were nominated for the position of Board Member of Lion Capital S.A.

During the evaluation process, the provisions of R1/2019 were fully observed, and the criteria set out in the regulation were analysed based on the documents and information provided by the evaluated individuals (diplomas and certificates, CVs, declarations in compliance with R1/2019, etc.), as well as additional data and information available to the NRC members (internal audit and compliance reports, publicly available information, etc.).

The conclusions of the evaluation process were based on an analysis of the information contained in the submitted documents, a review of data regarding reputation, integrity, honesty, and independent thinking, as well as direct discussions with the individuals concerned and an assessment of their professional activity.

Following the evaluation, the NRC determined that all candidates possess the knowledge, skills, and professional experience and comply with the reputation, honesty, integrity, and governance requirements as stipulated by ASF Regulation No. 1/2019, as amended and supplemented, Law No. 74/2015, and ASF Regulation No. 10/2015, necessary for fulfilling the specific responsibilities of a Board Member.

The NRC's recommendations were approved by the Board of Directors in its meeting on October 4, 2024.

### Salary Indexation Analysis

In accordance with the provisions of the Articles of Association and the Internal Regulations of Lion Capital S.A., the approval of employee salary increases, and director remuneration adjustments falls within the competence of the Board of Directors.

Regarding employee remuneration, the Remuneration Policy approved by shareholders, in compliance with labour legislation and the provisions of the collective labour agreement applicable at the company level, establishes the following general rules:

- Employee salary rights are determined by individual employment contracts as well as the collective labour agreement concluded at the company level;
- The base fixed remuneration level of employees may be reviewed based on the results of performance analysis and market conditions (e.g., inflation, salary levels in the industry).

The collective labour agreement, under Article 45 (1), states: *"Salary levels shall be adjusted annually based on the company's economic performance and the individual performance of employees, taking into account the modification index of the gross average salary in the economy and the inflation rate."*

Regarding director remuneration, the Remuneration Policy provides that:

- Director remuneration is approved by the Board of Directors;
- The general remuneration limits for directors who have been delegated part of the Board's powers, in accordance with the provisions of Law No. 31/1990, are approved by the General Meeting of Shareholders (GMS), and all remunerations must fall within the approved general remuneration limits and budget established by the GMS;
- The fixed remuneration component of directors is determined based on sound economic principles, considering the nature and complexity of the activities performed, as well as the competencies and responsibilities assumed by holding such executive positions.

The collective labour agreement, under Article 45 (1), states: *"Salary levels shall be adjusted annually based on the company's economic performance and the individual performance of employees, taking into account the modification index of the gross average salary in the economy and the inflation rate."*

Considering the report presented by the executive management, the provisions of the collective labour agreement, as well as those in the Articles of Association and Internal Regulations of Lion Capital, the members of the Nomination and Remuneration Committee recommended granting salary increases.

### Appointment of a Compliance Officer Responsible for the Prevention and Combating of Money Laundering and Terrorism Financing and Designation of a Person Responsible for Coordinating the Implementation of Internal Procedures for Enforcing International Sanctions

Following the termination of the individual employment contract of Mr. Ioan-Eugen Cristea on October 18, 2024, who held the position of Compliance Officer, including the role of Compliance Officer responsible for AML/CFT, and considering the criteria set out in Article 7<sup>1</sup> par. (8) of the ASF Regulation no. 13/2019, we consider it necessary to appoint a new person as Compliance Officer responsible for AML/CFT.

Considering the applicable legal provisions, the proposal of the person currently holding the position of Compliance Officer/Internal Control Officer, in accordance with Article 2 par. (2) letter (p) section (ii) of ASF Regulation no. 1/2019, meets the requirements necessary to perform the role of Compliance Officer responsible for AML/CFT.

Thus, the proposed individual is capable of allocating sufficient time to fulfil the duties associated with the role, as they do not hold any other positions within the company alongside the Compliance Officer/Internal Control Officer role. Furthermore, the proposed candidate has acquired the necessary knowledge, skills, and experience required for the role, having been employed by the company since November 2004 as a Legal Advisor and subsequently serving as Compliance Officer/Internal Control Officer, in accordance with Article 2 par. (2) letter (p) section (ii) of ASF Regulation No. 1/2019, from November 2022 to the present.

The Nomination and Remuneration Committee (NRC), meeting on October 24, 2024, determined that the proposed candidate is not in any potential conflict of interest, as no activities were identified that would imply or could imply a personal interest that might affect their independence and impartiality in decision-making, professional judgment, or timely and objective fulfilment of duties.

**According to Article 9 of ASF Regulation no. 25/2020**, regarding the supervision of the implementation of international sanctions by the Financial Supervisory Authority (ASF) and its regulated entities:

*(1) In accordance with the nature and scale of their activities, **regulated entities must designate at least one individual within their staff to be responsible for coordinating the implementation of internal procedures for the enforcement of international sanctions**, including what concerns ongoing updates of the entity's records regarding current international sanction regimes, managing alerts received from ASF or updates made public on the ASF, Ministry of Foreign Affairs, and ANAF websites, fulfilling reporting obligations, this individual is hereinafter referred to as the Designated Person for the Implementation of International Sanctions (PDSI).*

*(2) The name, position, and responsibilities assigned to this person, along with their contact details, must be notified to ASF at least 15 working days before they assume their duties.*

*(3) Regulated entities must notify ASF of any replacement of the designated person(s) within a maximum of 5 days from the date of the replacement, in compliance with paragraph (2).*

*(4) The regulated entity must ensure that the designated person(s) as per art. (1) has (have) the knowledge and skills required to fulfil the responsibilities outlined in Government Emergency Ordinance no. 202/2008 and the present regulation and meets the fitness requirements for this role. Proof of internal assessment must be provided to ASF upon request.*

*(5) Regulated entities must provide ongoing training to their staff on international sanctions enforcement, as needed, but no later than every two years.*

Considering the above, the Nomination and Remuneration Committee (NRC) proposed to the Board of Directors:

- a) The appointment of a Compliance Officer responsible for the Prevention and Combating of Money Laundering and Terrorism Financing.
- b) The designation of the same individual as the person responsible for coordinating the implementation of internal procedures for the enforcement of international sanctions.

#### **Preliminary Assessment of a Candidate Nominated for the Position of Interim Member of the Board; Collective Assessment of the Board of Directors; Preliminary Assessment of the Candidate Nominated for the Position of Compliance Officer**

In the meetings held on October 28 and November 27, the Nomination and Remuneration Committee (NRC) analysed the letter received from the authority regarding the appointment of an interim Member of the Board, refining the committee's position. The response was submitted to the Board of Directors for approval before being communicated to the Financial Supervisory Authority (ASF).

In accordance with the express request of the authority, the procedure was resumed, and the Committee, in its meeting on November 27, conducted the preliminary assessment of the person nominated for the position of interim administrator, the collective assessment of the Board of Directors, as well as the preliminary assessment of Mr Ioan-Eugen Cristea, proposed for the position of compliance officer following his reemployment within the Compliance Office.

The evaluation process complied with the provisions of R1/2019, with the criteria established by the regulation being analysed based on documents and information provided by the evaluated person (diplomas and certificates, CVs, declarations in compliance with R1/2019, etc.), as well as other data and information available to NRC members (internal audit and compliance reports, public information, etc.).

The conclusions of the evaluation process were based on the analysis of information from the documents presented, the analysis of information regarding reputation, integrity, honesty, and independent thinking, as well as direct discussions with the individual concerned and the analysis of their past activities.

The evaluation results were recorded in the individual assessment form, which documents the description of the position being evaluated, its role, and presents the results of the suitability assessment based on the following criteria: a) relevant experience in performing the specific duties; b) knowledge, skills, and relevant experience; c) time allocated for fulfilling the respective role; d) assessment of reputation, honesty, and integrity; e) governance criteria.

Following the evaluation, the NRC determined that Mr. Rachid El Lakis possesses the knowledge, competencies, and professional experience and meets the requirements of reputation, honesty, integrity, and governance stipulated by ASF Regulation no. 1/2019, as amended, by Law no. 74/2015, and by ASF Regulation no. 10/2015, necessary for fulfilling the duties specific to the position of member of the Board of Directors.

Additionally, in accordance with the provisions of Article 23, in conjunction with Article 26 of ASF Regulation no. 1/2019, the Nomination and Remuneration Committee (NRC) conducted the collective assessment of the governance structure at the Board of Directors level, using the suitability matrix presented in Annex no. 4 to ASF Regulation no. 1/2019, adapted by the company based on its specific activities and risks, taking into account the principles and criteria set out in Article 4 of ASF Regulation no. 1/2019. In assessing suitability, NRC also considered the criteria mentioned in Annex no. 3 to ASF Regulation no. 1/2019. In conclusion, the NRC determined that the members of the Board of Directors possess the knowledge, competencies, and professional experience and meet the requirements of reputation, honesty, integrity, and governance stipulated by ASF Regulation No. 1/2019, necessary for



fulfilling the duties specific to their positions. No situations were identified that would raise concerns regarding the suitability of an administrator or the governance structure of the Board of Directors as a whole.

Regarding the nomination for the position of compliance officer, following the evaluation, the NRC determined that Mr Cristea, who has held the same position at Lion Capital/SIF Banat Crişana since 2005, meets the legal requirements and recommended his appointment as compliance officer.

### Analysis of Compliance with Remuneration Policy and Procedures

Within the scope of monitoring and overseeing the implementation of the remuneration policy approved by the shareholders, in the meeting held on December 19, 2024, the Nomination and Remuneration Committee analysed the application of remuneration procedures and policy. Following the assessment conducted, CNR ascertained that:

- all commitments regarding remuneration are correctly and responsibly structured, in accordance with the principles of good corporate governance;
- the current remuneration policy ensures proper risk management without leading to risks exceeding Lion Capital's risk tolerance level;
- by examining the methodology on directors' performance assessment approved by the Board of Directors, CNR ascertained that the principles, evaluation criteria, and performance indicators established ensure an objective and adequate evaluation of directors' performance, combining assessment through measurable criteria (quantitative components) and through professional competencies, skills, and organizational behaviour (qualitative components), while adhering to the principles outlined in the remuneration policy approved by the shareholders.

### Periodic Assessment of the Suitability of Members of the Management Structure and Persons Holding Key Positions

In accordance with the provisions of *ASF Regulation no. 1/2019 on the assessment and approval of members of the management structure and persons holding key positions within entities regulated by the Financial Supervisory Authority ("R1/2019")* and the *Internal Procedure regarding the evaluation of members of the management structure and persons holding key positions within the company*, as part of the process of continuous monitoring of the suitability of members of the management structure and persons holding key positions to ensure prudent, fair, and efficient management of Lion Capital, the Nomination and Remuneration Committee (CNR) proceeded with the assessment of the Board of Directors, Directors, and key personnel in the company.

In accordance with the provisions of Article 26, paragraph (3), and Article 23 of R1/2019, CNR conducted both individual and collective assessments of the members of the Board of Directors, as well as individual and collective evaluations of the executive management structure.

#### *Assessment of the Board of Directors:*

Taking into account: (i) the documents submitted by the members of the Board of Directors on previous assessments; (ii) the statements provided by the members of the Board of Directors updated at the time of assessment, which include aspects related to meeting independence criteria, as well as the list of mandates held in other entities; (iii) the evaluation matrix – Annex 4 to ASF Regulation no. 1/2019;

CNR ascertained that there have been no significant changes to the relevant documents / information submitted during previous evaluations.

CNR analysed the individual suitability of the members of the Board of Directors.

Following the evaluation conducted, CNR ascertained that the members of the Board of Directors meet the requirements set forth in the applicable regulations, and no situations of non-compliance with the criteria specified in ASF Regulation no. 1/2019 were identified.

#### *Assessment of the Executive Management*

The individual assessment of the directors was conducted based on the documents requested and provided to CNR by the directors, and the conclusions of the evaluation process were based on the

analysis of the information in the submitted documents, the analysis of information regarding reputation, integrity, honesty, and independent thinking, as well as direct discussions with the directors and an analysis of their activities.

The results of the directors' assessments were documented in individual assessment sheets, which document the description of the position for which the assessment is conducted, its role within Lion Capital, and present the results of the suitability evaluation based on the following criteria: a) knowledge, skills, and relevant experience; b) time dedicated to performing the respective function; c) evaluation of reputation, honesty, and integrity; d) governance criteria.

CNR evaluated the collective suitability of the executive management, considering the principles and criteria provided by R1/2019.

CNR considers the executive management structure to be adequate and efficient, with operational work processes implemented within the company, including well-defined workflows, and reporting lines to the management structure. From the analysis of materials presented during the year for information or approval by the Board of Directors, CNR members noted the attention and consistency of the executive management in implementing recommendations provided by representatives of risk management, internal audit, and compliance departments regarding alignment with governance requirements, compliance, and optimization of activities, including recommendations from the financial auditor.

Additionally, CNR considers the management of the company to be effective and prudent, including the good faith of the executive management in activities conducted in the interest of the company and the ability of this structure to focus on strategic matters and objectives approved by the shareholders and the Board of Directors.

From the analysis of Internal Audit and Compliance reports, CNR notes that the company's directors adhere to the principle of independence and comply with the policy regarding conflicts of interest.

Following the assessments conducted, CNR finds that the members of the executive management possess the knowledge, skills, and professional experience and adhere to the requirements of reputation, honesty, integrity, and governance prescribed by R1/2019 necessary for performing the specific duties of their positions, and no situations were identified that raise concerns regarding the suitability of a director or the executive management structure as a whole.

#### *Assessment of Key Functions*

CNR conducted the assessment of key-functions within the company – the internal audit function, the risk management function, and the compliance function – based on the documents requested and provided to CNR by the individuals with specific responsibilities. The conclusions of the assessment process were based on the analysis of information in the submitted documents regarding studies, competencies, and experience, the analysis of information regarding reputation, integrity, honesty, and independent thinking, as well as direct discussions with these individuals and the analysis of reports presented throughout the year.

The results of the assessment of the individuals holding key functions were documented in individual assessment sheets, which document the description of the position for which the assessment is conducted, its role within Lion Capital, and present the results of the suitability evaluation based on the following criteria: a) knowledge, skills, and relevant experience; b) time dedicated to performing the respective function; c) assessment of reputation, honesty, and integrity; d) governance criteria.

Following the assessments conducted, CNR finds that the persons holding key functions possess the knowledge, skills, and professional experience and adhere to the requirements of reputation, honesty, integrity, and governance prescribed by Regulation ASF no. 1/2009 and the internal regulations of the company, necessary for fulfilling the specific duties of their positions, and no situations were identified that raise concerns regarding the suitability of the persons in this category.

### **Assessment of the Performance of Executive Management During 2024**

In the meeting held on December 19, 2024, NRC proceeded to assess the performance of the executive management in 2024, in accordance with the Remuneration Policy of Lion Capital approved by the

shareholders by resolutions no. 4/06.01.2021 and no. 8/26.04.2021 and the Methodology for assessing the performance of the executive management approved by the Board of Directors.

The assessment of the fulfilment of the performance criteria was performed for each director, based on the quantitative and qualitative indicators established by the approved methodology, the evaluation results being recorded in the individual evaluation sheets.

Assessment of quantitative criteria:

- *KPI indicators* - were calculated based on the estimate of the achievement of Budget for 2024 presented to the Board of Directors.

- *The assessment of compliance with the regulated / approved investment limits* was performed by analysing the investment limits monitoring performed monthly by the Risk Manager, together with the calculation and reporting of the detailed statement of assets and liabilities, as well as on each transaction expected through the investment verification procedure.

- *The assessment of compliance with the approved global risk profile* was based on the analysis of periodic monitoring and evaluation reports prepared by the Risk Manager and reported to the Board in the periodic risk reports and risk opinions through the pre-investment verification procedure.

The Nomination and Remuneration Committee recommended the Board of Directors to approve the results of the performance evaluation of the executive management for 2024.

### Analysis of Granting the Variable Component for the Achievement of the Objectives in 2023

At the end of December 2024, in accordance with its responsibilities, NRC analysed the reports submitted by the executive management, the risk opinion on granting the variable component of the remuneration, presented by the person responsible for the risk management, and the Remuneration Policy of Lion Capital, and ascertained the following:

- In accordance with the Remuneration Policy approved by the shareholders, performance-based remuneration is granted in a manner that promotes efficient risk management and does not encourage excessive risk-taking.
- Variable remuneration is paid or granted only if it is sustainable based on the overall financial situation of the Company and is justified by the performance of the operational unit within the Company and of the individual in question.
- The remuneration of the Company's personnel, from the perspective of variable remuneration, is based on the annual evaluation of individual performances, relative to the achievement of assumed objectives.
- The evaluation of compliance with Lion Capital's approved overall risk profile, from the perspective of the impact of investment decisions on it, was conducted by analysing investment risk at the level of assets under management.
- It was ascertained that the objectives set at the senior management level, through the activity plan and the Budget approved by the GMS, and at the level of the personnel responsible for investment activity through financial objectives and competencies (investments made, dividend collection from holdings, placements, etc.), did not induce a modification of investment risk.
- The liquidity profile of the asset portfolio maintained its structure constant throughout the year 2024, with dividends collected from issuers in the portfolio being invested based on opportunities that occurred. The liquidity buffer remained above the approved limit of total assets throughout 2024.
- The evolution of the LION stock quotation was linear (sideways movement), with trading volumes comparable to those of 2023. Thus, the assessment of reputational risk falls within the low-risk level.
- The continuous monitoring of risks, carried out by the three key function departments, internal audit, compliance, and risk management - materialized both through periodic risk reports, scenario analysis, and prior verification at the time of investments - leads to the conclusion that the risk management system at Lion Capital is effective, the measures adopted for monitoring and controlling exposures to identified risks are adequate and timely, and recommendations and concerns receive the necessary attention.
- Investment limit monitoring was conducted both monthly, along with the calculation and reporting of the Detailed Statement of Assets and Liabilities, and for each planned transaction through the



investment prior verification procedure. From the assessment of this objective, it was ascertained that investment limits were not exceeded (zero incidents).

- The overall risk profile was periodically monitored and evaluated by the Risk Manager and reported to the Board of Directors through periodic risk reports and risk opinions via the investment prior verification procedure. The Risk Management Office did not issue alerts for exceeding approved risk limits, and the assessment of this objective revealed that the risk limit/limits were not exceeded.
- In 2024, two events related to inadequate reporting were recorded in the Operational Risk Event Register (ERO), with the losses incurred being below the materiality threshold of RON 10,000. For each event, the company immediately implemented control measures to reduce the probability of recurrence. The protection and control measures resulted in a tolerable inherent risk.
- Analyses conducted periodically in 2024 lead to the conclusion that the achievement of investment objectives was fulfilled while adhering to regulated prudential limits, approved risk limits through the overall risk profile, and governance principles.
- Analysing liquidity risk based on the bank account balances, it is found that cash funds are sufficient to cover the amounts proposed as variable remuneration, without the need for dislocation of other assets.
- The operation does not violate any legal or ethical norms regarding internal regulations and policies.

In view of the findings made, NRC issued a favourable opinion on the granting of the variable component to employees and directors for the achievement of the objectives in 2024.

#### **Nomination and Remuneration Committee as of December 31, 2024:**

Sorin MARICA - Chairman of the Committee

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Marcel PFISTER - member

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Ionel Marian CIUCIOI – member

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# LION CAPITAL'S REMUNERATION REPORT FOR 2024

## 1. GENERAL INFORMATION

**LION CAPITAL S.A.** (hereinafter "Lion Capital" or "the Company"), the new corporate name starting March 24, 2023, of SIF Banat-Crișana S.A., is a joint stock company incorporated since November 1996, in accordance with the provisions of Law no. 31/1990 on trading companies, being a Romanian legal entity with fully private capital, with a duration of operation of 99 years.

Lion Capital is established as a self-managed investment company and is authorized by the Financial Supervisory Authority (ASF) as an Alternative Investment Fund Manager (AIFM), in accordance with Law no. 74/2015, by Authorization number 78 / 09.03.2018.

As per the provisions of Law no. 243/2019 on alternative investment funds, Lion Capital qualifies as a closed-end diversified Alternative Investment Fund addressed to Retail Investors (AIFRI), self-managed, authorized by ASF in this capacity since July 2021.

As per the provisions of its Articles of Association, Lion Capital is administered under a unitary system, which is apt to ensure the efficient operating of the Company and in accordance with the objectives of good corporate governance and the protection of the interests of its shareholders.

Lion Capital is administered by a Board of Directors comprised of 5 members, elected by the general meeting of shareholders for a term of office of four years, with the possibility of being re-elected.

The Board of Directors has decision-making powers regarding the management of the Company in the interval between the general meetings of shareholders, except for decisions that the law or the Articles of Association exclusively for the general meeting.

The Executive Management/senior management of Lion Capital is provided by Directors appointed by the Board of Directors, in accordance with the provisions of the Company's constitutive acts and the applicable legal regulations in force, so that the management of the Company's daily activity is ensured, at all times, by at least two people.

The management structure, in the sense of the legislation applicable to this report, consists of the members of the Board of Directors and the Executive Management - Directors. The duties and responsibilities of the Management Structure are expressly mentioned in the Company's Articles of Association, in the Internal Regulations and in the Corporate Governance Regulation of Lion Capital.

As per the provisions of art. 107 of *Law 24/2017 on issuers of financial instruments and market operations*, the Company has prepared and published remuneration reports starting with 2021 FY, these being submitted to the consultative vote of the General Meeting of Shareholders. There were no opinions expressed by shareholders during the general meetings regarding the remuneration reports published by the Company.

This remuneration report contains information on the remuneration paid in 2024, according to the remuneration policy approved by the general meeting of shareholders and will be subject to the consultative vote of the General Meeting of Shareholders convened for April 24 (25), 2025.

The "*identified personnel*" category in the report includes the persons established at the Lion Capital level considering the definitions retained within the applicable national and European legislation.

All amounts mentioned in this report are expressed in RON (Romanian leu) and represent net amounts, unless otherwise stated.

## 2. THE REMUNERATION POLICY OF LION CAPITAL

The remuneration policy of Lion Capital was approved by the OGM of January 6, 2021, by Resolution no. 4 (with 97.37% of the votes cast), and amended according to Resolution no. 8 of the OGM of April 26, 2021 (with 99.97% of the votes cast).

The remuneration policy applies to the management of the company and those categories of personnel whose professional activities have a significant impact on the risk profile of Lion Capital.

The policy establishes the general principles of remuneration of the Company's *identified personnel*, in compliance with the principles set forth by the applicable national and European regulations, with the aim of ensuring that the remuneration of the company's personnel is in line with and promotes solid and efficient risk management and does not encourage taking risks that contradict the risk profile and the articles of association of the Company.

The main principles underlying the remuneration policy:

- pursuing the compatibility with sound and effective risk management and promoting this type of management, without encouraging taking risks that do not comply with the risk profile, internal rules or articles of association of the company;
- substantiation on the values and beliefs of the organization and compatibility with the business strategy, objectives, values, and interests of Lion Capital, as well as with the interests of investors, including measures to avoid conflicts of interest;
- the remuneration of personnel holding control positions is based on the achievement of the objectives related to their functions, regardless of the results of the trading sectors they control;
- performance-based remuneration is calculated on the basis of an assessment that combines the performance of the individual and the business unit concerned with the overall performance of the Company;
- there is an appropriate balance between the fixed and the variable component of total remuneration and the fixed component represents a sufficiently high percentage of total remuneration allowing the application of a policy as flexible as possible on variable components of remuneration, including the possibility of paying no variable component of remuneration;
- the variable remuneration is paid or granted only if it is sustainable according to the financial situation of the Company as a whole, and is justified by the performance of the business unit within the company and the person concerned;
- Company personnel are prohibited from using personal coverage or insurance strategies relating to remuneration or liability to undermine the effects of the risk alignment provided for in their remuneration schemes;
- variable remuneration is not paid through instruments or methods that facilitate the avoidance of compliance with the requirements of the remuneration policies applicable within Lion Capital.

Lion Capital promotes an effective and sound risk management, without the remuneration structure encouraging excessive risk-taking, including in relation to sustainability risks, being correlated with risk-adjusted performance.

The company must comply with the remuneration principles established in the applicable legal regulations considering the extent to which they are appropriate to its size, internal organization, and the nature and complexity of its activities. Considering these aspects - the size, nature, internal organization, scope and complexity of the activities carried out by the company, applying the principle of proportionality in accordance with the provisions of the ESMA Guide on solid remuneration policies in accordance with DAFIA, through the Remuneration Policy it was established that they can be except for the requirements of the process of payment of variable remuneration in instruments, the requirements regarding retention and deferral, the requirements regarding the ex-post inclusion of risks for variable remuneration, in the context where the non-application of the aforementioned requirements is compatible with the risk profile, risk appetite and strategy the company and the assets under management.

The Company's remuneration policy ensures a fair and competitive remuneration, respecting and valuing the skills and the performance, with the two components - the fixed component and the variable component - appropriately proportioned.

### **3. REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS (ADMINISTRATORS)**

#### **3.1 Administrators' remuneration structure**

The remuneration of the administrators is decided annually by the general meeting of the shareholders of Lion Capital, in accordance with the provisions of Law no. 31/1990 and the Company's Articles of Association.

The additional remuneration of the administrators is set in general limits by resolution of the general meeting of shareholders. The total annual amount of additional remuneration paid to the directors shall not exceed the limits set by the resolution of the general meeting of shareholders.

The additional remuneration is fixed and is based exclusively on factors such as time spent on the performance of duties, participation in meetings of the board of directors, responsibilities undertaken on the board of directors, participation in the activities of special committees at the board level, and the like. factors that do not depend on and do not consider the results and performance of the company.

Remuneration for the purposes of the Remuneration Policy is not considered to be expenses settled by the company and incurred by the administrators in the interest and for the purpose of exercising the mandate of administrator.

### 3.2 Components of administrators' remuneration in 2024

The Board of Directors consists of five members appointed by the Ordinary General Meeting of Shareholders, in accordance with the provisions of Company's Articles of Association.

During 2024, the Board of Directors had the following composition:

Name	Position/Function	Date of first appointment (date of ASF endorsement)	Current term expires	Months on duty in 2024
Bogdan-Alexandru Drăgoi	Chairman of BoD	09.04.2015	25.04.2025	12
Radu-Răzvan Străuț*	Vice-Chairman of BoD	13.07.2017	30.09.2024	9
Ionel-Marian Ciucioi	Member of BoD Member of Audit Committee Member of Nomination and Remuneration Committee (NRC)	25.10.2018	25.04.2025	12
Sorin Marica	Member of BoD Chairman of NRC Member of Audit Committee	13.07.2017	25.04.2025	12
Marcel Heinz Pfister	Member of BoD Chairman of Audit Committee Member of NRC	13.07.2017	25.04.2025	12

\* Mr Radu-Răzvan Străuț resigned from all positions held within Lion Capital SA, starting with 30.09.2024

The monthly remuneration due to the members of the Board of Directors for the financial year 2024<sup>1</sup> was approved by the OGM on April 29, 2024, at the level established by the OGM resolution of April 26, 2016, **in the amount of RON 10,000 net** for each administrator, regardless of position held.

The general limits on all additional remuneration of members of the board of directors and the general limits on the remuneration of directors for the financial year 2024 were approved by the OGM on April 29, 2024, and remained at 0.42% of the average annual net assets<sup>2</sup> as set by the OGM resolution no. 7 of April 27, 2020.

Individual remuneration of the members of the Board of Directors in 2024:

Position/Function	Total fixed remuneration 2024* (RON)	Variable remuneration	Proportion of fixed remuneration	Other benefits** (RON)
Chairman of the Board of Directors	120,000	0	100%	1.254
Vice-Chairman of the Board of Directors	90,000	0	100%	940
Member of the Board of Directors Member of Audit Committee Member of NRC	186,000	0	100%	1.254
Member of the Board of Directors Chairman of NRC Member of Audit Committee	318,000	0	100%	1.254
Member of the Board of Directors Chairman Audit Committee Member of NRC	318,000	0	100%	0

<sup>1</sup> Resolution no. 8 of OGM of April 29, 2024: <https://www.lion-capital.ro/docs/en/current-reports/2024/2024-04-29-OGM-resolutions.pdf>

<sup>2</sup> Resolution no. 9 of OGM of April 29, 2024: <https://www.lion-capital.ro/docs/en/current-reports/2024/2024-04-29-OGM-resolutions.pdf>

\* Includes additional remuneration for members / chairs of advisory committees operating within the Board of Directors

\*\* Subscription to medical services rendered by a private provider

**Note: To ensure full independence in discharging their duties, non-executive administrators (Board members) do not receive variable remuneration and do not participate in remuneration schemes in which payment is linked to performance.**

#### **Remuneration received from other entities belonging to the Lion Capital group:**

For executive administrators - Chairman of the Board and Vice-Chairman of the Board, the information is disclosed in section 4.2.

The Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Committee did not receive any remuneration from other entities of Lion Capital Group in 2024.

In 2024, Mr. Ionel Ciucioi received a total remuneration of RON 408,000 from a company in Lion Capital Group, for the position of Chairman of the Board and General Manager of a Lion Capital subsidiary, and Chairman/member of the Board in some companies within the Group formed by this company.

## **4. REMUNERATION OF THE (EXECUTIVE) DIRECTORS**

### **4.1 (Executive) Directors' remuneration structure**

The remuneration of the directors is approved by the company's Board of Directors. The general limits of the remuneration of the directors to whom a part of its powers has been delegated by the Board of Directors, in accordance with the provisions of Law no. 31/1990, are approved by the general meeting of shareholders.

The Board of Directors will ensure the proportionality of the remuneration granted with the specific responsibilities of the management functions, to ensure an adequate and responsible remuneration, which will ensure the increase of the performances, to increase the value of the company, for the benefit of its shareholders.

Directors' remuneration may consist of a fixed component and a variable component:

*The fixed component* of remuneration is determined considering sound economic principles, considering the nature and complexity of the activities carried out by those persons as well as the competencies and responsibilities accepted by holding those management positions.

*The variable remuneration component* is based on an assessment that combines the evaluation of individual performance with the overall results of Lion Capital. The variable component can be paid in cash and / or instruments. In accordance with the Remuneration Policy, the Board of Directors has the power to establish the general criteria for assessing the performance of the executive management.

The remuneration of the directors must be within the general limits of the remuneration and the budget approved by the ordinary general meeting of the shareholders of Lion Capital.

Is not considered remuneration for the purposes of the remuneration policy the expenses settled by the company and incurred by the directors in the interest and for the purpose of exercising their functions within the company.

### **4.2 Components of directors' remuneration in 2024**

During 2024, the executive management was provided by four (executive) directors authorized by the Financial Supervisory Authority:

<b>Name</b>	<b>Position</b>	<b>Period of holding the executive position</b>	<b>Months on duty in 2024</b>
Bogdan-Alexandru Drăgoi	Chairman of BoD, CEO Management delegated by BoD as per Law no. 31/1990 and Articles of Association	August 2015 - present	12
Radu-Răzvan Străuț*	Vice-Chairman of BoD, Deputy CEO - Management delegated by BoD as per Law no. 31/1990 and Articles of Association	June 2018 – Sept. 30, 2024	9
Florin-Daniel Gavrilă	Director - Management delegated by BoD as per Law no. 31/1990 and Articles of Association - Corporate Administration and Operations segment	March 2014 – present	9
Laurențiu Riviș	Director - Management delegated by BoD as per Law no. 31/1990 and Articles of Association – Legal and IT segment	Feb. 2016 - present	12

\* Mr Radu-Răzvan Străuț resigned from all positions held within Lion Capital SA, starting with 30.09.2024

The remuneration of the executive directors in 2024 complied with the Remuneration Policy and consisted of fixed remuneration and variable remuneration.

**The fixed part** of the remuneration consisted of the monthly allowance and benefits in kind (financial and non-financial benefits).

Directors have not benefited from discretionary pension plans.

**The variable part** of the remuneration has been allocated to reward the performance of each member of the executive during 2024, depending on the performance, risk and non-financial objectives set by the Board of Directors.

The variable component has not been subject to malus and claw-back agreements.

The variable component does not include any additional rewards.

Information on the total remuneration granted to each director for the financial year 2024:

For the year 2024, **the CEO** received a fixed remuneration composed of an annual remuneration amounting to RON 997,477 and benefits in kind in the amount of RON 1,254 per year<sup>3</sup>. The variable remuneration paid in cash for the performance in 2024 was of RON 1,000,000, in accordance with the Remuneration Policy and the limits approved by the shareholders. The relative proportion of fixed remuneration was 50%, and of the variable cash remuneration was 50%, out of the total cash remuneration granted during 2024 for this position.

On February 5, 2024, the Board of Directors of Lion Capital approved the offering free of charge of 517,500 shares to the CEO under the share-based payment plan (Stock Option Plan) carried out on based on the EGM Resolutions no. 4 and no. 5 of April 27, 2023<sup>4</sup>, as variable remuneration in instruments related to the activity carried out in 2023. The exercise of the right by the beneficiary was done in February 2025, and the transfer of the ownership right over the shares was done in March 2025, being met cumulatively the conditions provided in the Payment Plan approved by the Board of Directors and the provisions of the Fiscal Code.

In 2024, the CEO received a total remuneration in the amount of RON 315,000 from companies in the Lion Capital Group, as a member of the board of directors of these entities.

For the year 2024, **the Deputy CEO** (Vice-Chairman of the Board) received a fixed remuneration composed of an annual remuneration amounting to RON 720,899 and benefits in kind amounting to RON 1,254 per year<sup>3</sup>. The variable remuneration paid in cash for the performance in 2024 was of RON 1,376,844, in accordance with the Remuneration Policy and the limits approved by the shareholders. The relative proportion of fixed remuneration was of 34%, and of the variable cash remuneration was of 66%, out of the total cash remuneration granted during 2024 for this position.

In 2024, the Deputy CEO received a total remuneration in the amount of RON 390,009 from companies in the Lion Capital Group, as a member of the board of directors of these entities.

On February 5, 2024, the Board of Directors of Lion Capital approved the offering free of charge of 472,500 shares to the Deputy CEO under the share-based payment plan (Stock Option Plan) carried out on based on the EGM Resolutions no. 4 and no. 5 of April 27, 2023<sup>4</sup>, as variable remuneration in instruments related to the activity carried out in 2022. The exercise of the right by the beneficiary was done in February 2025, and the transfer of the ownership right over the shares was done in March 2025, the conditions being met cumulatively provided in the Payment Plan approved by the Board of Directors and the provisions of the Fiscal Code.

For the year 2024, **the Director** – on Corporate Administration and Operations segment received a fixed remuneration composed of an annual remuneration amounting to RON 167,407 and benefits in kind amounting to RON 2,380 per year<sup>5</sup>. The variable remuneration granted for the performance in 2024 was of RON 131,040 in cash, in accordance with the Remuneration Policy and the limits approved by the shareholders. The relative proportion of fixed remuneration was of 56% and of the variable remuneration was 44%, out of the total remuneration granted during 2024 for this position.

<sup>3</sup> Subscription to medical services rendered by a private provider. For directors who also hold the position of executive administrator, this amount is granted only once, regardless of the number of positions held in the Company

<sup>4</sup> <https://www.lion-capital.ro/docs/en/current-reports/2023/2023-04-27-EGM-resolutions.pdf> •

<sup>5</sup> Subscription to medical services rendered by a private provider; optional pension insurance (Pillar III)

In 2024, the Director on Corporate Administration and Operations segment received a total remuneration in the amount of RON 11,266 from companies in the Lion Capital Group, as a member of the board of directors of these entities.

For the year 2024, **the Director** – on Legal and IT segment received a fixed remuneration composed of an annual remuneration amounting to RON 246,086 and benefits in kind amounting to RON 3,174 per year<sup>6</sup>. The variable remuneration granted for the performance in 2024 was of RON 141,040 in cash, in accordance with the Remuneration Policy and the limits approved by the shareholders. The relative proportion of fixed remuneration was of 64% and of the variable remuneration was 36%, out of the total remuneration granted during 2024 for this position.

In 2024, the Director on Legal and IT segment did not receive any remuneration from other entities in the Lion Capital Group.

#### 4.3 Performance criteria for granting the variable component

The performance of directors is assessed against a series of indicators - quantitative and qualitative - approved by the Board of Directors based on the medium-term strategy and on the latest business plan, and incorporates annual financial, risk and non-financial objectives, which may be effectively measured and evaluated.

The evaluation of fulfilling the performance criteria by the directors is carried out by the Nomination and Remuneration Committee, in accordance with the Remuneration Policy. The annual performance evaluation of the directors for 2024 was made in accordance with the *Methodology for evaluating the performance of the executive management* – the revised version approved by the Board of Directors in December 2022.

Each objective has a weight expressed as a percentage, their sum being equal to 100%.

**Qualitative component** – with a weight of 50% in total evaluation - includes as objectives for evaluating the performance:

- assessment of the adequacy of knowledge, skills and experience to the needs of the company;
- assessment of professional conduct as a member of the management structure;
- assessment of reputation, honesty and integrity;
- meeting the governance criteria.

In the process of analysing and assessing the results, NRC aims, in the first place, the fulfilment of the conditions and requirements detailed within the internal procedure, approved by the Board of Directors, regarding the Requirements and evaluation criteria.

**Quantitative component** – with a weight of 50% in total evaluation – includes as objectives for evaluating the performance:

- Performance indicators regarding the achievement of the income and expenses budget approved by the GMS, by comparing the indicators actually achieved with the budgeted ones: KPI 1 - Income (includes dividend income, interest income, other operating income); KPI 2 - Expenses (include Other operating expenses (personnel / administrators' expenses, auxiliary expenses, other expenses); KPI 3 – Profit;
- Compliance with the regulated / approved investment limits, provided by Law no. 243/2019 and Rules of the Fund;
- Compliance with the approved overall risk profile adopted by the Board of Directors according to risk appetite and tolerance and provided in the AIFRI documents.

The objectives for the year 2024, their weights and the degree of achievement:

Objectives 2024		Chairman - CEO	Vice-Chairman - Deputy CEO	Deputy General Director	Director
		Weights in total quantitative / qualitative component			
Quantitative Objectives	KPI 1: Income	10%	10%	10%	10%
	KPI 2: Expenses	10%	10%	10%	10%
	KPI 3: Profit	10%	10%	10%	10%
	Compliance with the regulated / approved investment limits	35%	35%	35%	35%
	Compliance with the approved overall risk profile	35%	35%	35%	35%

<sup>6</sup> Subscription to medical services rendered by a private provider; optional pension insurance (Pillar III)

Objectives 2024		Chairman - CEO	Vice-Chairman - Deputy CEO	Deputy General Director	Director
Qualitative Objectives	Assessing the adequacy of knowledge, skills, and experience	25%	25%	25%	25%
	Professional conduct as a member of the management structure	25%	25%	25%	25%
	Assessing reputation, honesty, and integrity	25%	25%	25%	25%
	Meeting governance criteria	25%	25%	25%	25%
Degree of achieving the objectives in 2024 at the date of evaluation:		100%	100%	100%	100%

## 5. COMPLIANCE WITH THE REMUNERATION LIMITS APPROVED BY GMS

The general meeting of shareholders setting the general limits of all additional remuneration of members of the board of directors and of the general limits of the remuneration of directors is a requirement of Law 31/1990 on trading companies (at art. 153 ^ 18 par. 2).

The Ordinary General Meeting of Shareholders of April 29, 2024, approved for the financial year 2024 that the general limits of all additional remuneration of members of the board of directors and the general limits of the remuneration of directors be kept at 0.42% of average annual net asset value, established by the OGM Resolution no. 7 of April 27, 2020.

The average annual net asset value for the year 2024 was in the amount of RON 4,462,256,704, so that the maximum limit of remuneration available was in the amount of RON 18,741,478.

In 2024, the total expenses with the additional remunerations of the members of the board of directors and the remunerations of the directors to whom the management is delegated in accordance with Law no. 31/1990 amounted to RON 12,816,864, respectively 0.28% of the average net assets for the year 2024, representing a use of only 66% of the available amount approved by the OGM.

## 6. COMPARATIVE INFORMATION ON THE CHANGE IN REMUNERATION AND THE PERFORMANCE OF THE COMPANY IN THE LAST 5 FINANCIAL YEARS

### 6.1 Changes in the gross remuneration of directors compared to the change in the average gross remuneration of employees in the last five financial years

Position in the organization chart	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
Chairman CEO	9.11%	10.00%	10.89%	2.50%	0.00%
Vice-Chairman, Deputy CEO	6.45%	10.00%	10.89%	2.50%	0.00%
Director – Corporate Adm. and Operations	N/A	N/A	N/A	N/A	N/A
Director – Legal and IT	17.55%	13.98%	15.14%	2.50%	0.00%
<b>Changes in the average remuneration of employees</b>	<b>10.10%</b>	<b>13.05%</b>	<b>12.70%</b>	<b>4.12%</b>	<b>3.7%</b>

### 6.2 The performance of Lion Capital in the last five financial years

Indicators	2024	2023	2022	2021	2020
<b>Total income</b> (dividend income, interest income, other revenues) (RON)	229,642,350	166,278,371	174,916,193	135,547,935	94,840,715
<b>Total expenses</b> , of which:	32,733,068	27,526,925	24,393,742	27,498,092	28,472,943
Other operating expenses (RON)	26,964,387	22,458,631	20,609,717	22,388,962	19,678,132
<b>Net profit for the year</b> (RON)	161,734,652	417,255,132	95,467,148	387,001,105	92,122,406
<b>Total comprehensive income</b> for the year (RON)	497,850,614	859,886,058	(144,823,034)	707,542,359	-20,165,826
<b>Net Asset Value *</b> (RON)	4,547,449,954	4,095,059,742	3,238,773,573	3,408,921,783	2,884,036,120
Change of income (yoy change)	38.1%	-4.9%	29.0%	42.9%	-22.0%
Change of operating expenses (yoy change)	20.1%	8.9%	-7.95%	13.8%	4.0%
Change of net profit (yoy change)	61.2%	337.1%	-75.33%	320.1%	-42.2%
Change of net asset value (yoy change)	11%	26.4%	-4.99%	18.2%	5.9%

\* net asset value calculated according to ASF regulations and certified by the depositary bank, values reported together with the annual separate financial statements, audited



## **7. FINAL PROVISIONS FOR THE REMUNERATION REPORT**

### **7.1 Compliance with Remuneration Policy / Information on any deviation from the procedure for implementing the Remuneration Policy**

In 2024 there were no deviations from the Remuneration Policy regarding the remuneration of the members of the Board of Directors and the Executive Management, all components of remuneration complying with the structure and principles presented in the Remuneration Policy approved by shareholders.

### **7.2 Availability of the Remuneration Report**

This Remuneration Report has been verified by the financial auditor and discussed by the Board of Directors in the meeting held on March 24, 2025.

In accordance with the provisions of art. 107, paragraph (6) of Law no. 24/2017, the Remuneration report is submitted for the approval of the shareholders in the Ordinary General Meeting of Shareholders convened for April 24 (25), 2025, the opinion of the shareholders in the general meeting regarding the remuneration report, resulting from the vote, having an advisory character.

After the general meeting of shareholders, the Remuneration Report is made available to the public, free of charge, on Lion Capital's website, for a period of 10 years from its publication, in accordance with the provisions of the Law no. 24/2017.

**REPORT ON THE REMUNERATION PAID BY LION CAPITAL IN THE FINANCIAL YEAR 2024**

- REPORT PREPARED AS AIFM -

Indicators/ Gross amounts	Amounts related to the activity carried out in the reporting year (n) (RON / currency)	Amounts actually paid during the year subject to reporting (n) (RON / currency) net	Amounts payable during the reporting year (n + 1) or deferred (RON / currency)	No. of beneficiaries
<b>1. Remuneration granted to all IMC / AIFM staff (including outsourced functions) *</b>	9,577,298	9,577,298	2,534,400	38
<i>Fixed remuneration</i>	6,174,324	6,174,324	-	
<i>Variable remuneration excluding performance fees, of which:</i>				
- cash	3,402,974	3,402,974	-	
- other forms (separately indicating each category)**			2,534,400	2
<i>Variable remuneration representing performance fees</i>	-	-	-	
<b>2. Remuneration for identified staff of IMC / AIFM staff (including outsourced functions)</b>	8,418,506	8,418,506	2,534,400	
<b>A. Members of the Board of Directors, of which</b>	1,032,000	1,032,000	-	5
<i>Fixed remuneration</i>	1,032,000	1,032,000	-	
<i>Variable remuneration excluding performance fees, of which:</i>				
- cash	0	0	-	
- other forms (separately indicating each category)	0	0	-	
<i>Variable remuneration representing performance fees</i>	-	-	-	
<b>B. Directors/members of Executive of which:</b>	4,773,793	4,773,793	2,534,400	4
<i>Fixed remuneration</i>	2,124,869	2,124,869	-	
<i>Variable remuneration excluding performance fees, of which:</i>				
- cash	2,648,924	2,648,924	-	4
- other forms (separately indicating each category) **			2,534,400	2
<i>Variable remuneration representing performance fees</i>	-	-	-	
<b>C. Functions having control responsibilities (expressly indicating all functions included in this category) ***</b>	533,655	533,655	-	4
<i>Fixed remuneration</i>	430,255	430,255	-	
<i>Variable remuneration excluding performance fees, of which:</i>				
- cash	103,400	103,400	-	

Indicators/ Gross amounts	Amounts related to the activity carried out in the reporting year (n) (RON / currency)	Amounts actually paid during the year subject to reporting (n) (RON / currency) net	Amounts payable during the reporting year (n + 1) or deferred (RON / currency)	No. of beneficiaries
- other forms (separately indicating each category)	0	0		
Variable remuneration representing performance fees	-	-	-	
<b>D. Other functions than those indicated in letter A-C above, included in the category of identified staff (expressly indicating all functions included in this category) ****</b>	2,079,058	2,079,058	-	12
Fixed remuneration	1,685,658	1,685,658	-	
Variable remuneration excluding performance fees, of which:				
- cash	393,400	393,400	-	
- other forms (separately indicating each category)	0	0	-	
Variable remuneration representing performance fees	-	-	-	

\* Includes the administrators, directors to whom management is delegated acc. to. Law 31/1990, employed personnel and the internal audit function (outsourced function)

\*\* The amount on the transfer date to the beneficiaries (March 14, 2024), related to the 990,000 LION shares granted free of charge under the share-based payment plan (Stock Option Plan) carried out as per EGM Resolutions no. 5 and no. 6 of April 28, 2022, and of the Board of Directors decision of March 8, 2023. The shares were allocated on March 8, 2023, and the right was exercised in March 2024

\*\*\* Includes risk officer, compliance officer and internal auditor (outsourced function)

\*\*\*\* Includes office managers, IT manager, HR manager, chief accountant, analysts and consultants in the Operations Dept. and Valuation and Net Asset Office

## **ARTICLES OF ASSOCIATION\* OF THE COMPANY LION CAPITAL S.A.**

### *FREE TRANSLATION*

*prepared for the convenience of English-speaking readers, as translation of the original document issued in Romanian, which is the official and binding version; for purposes of interpretation the Romanian text shall be authoritative and final*

#### **Article 1 Name of the company, legal form, and duration of the company.**

(1) The name of the company is "LION CAPITAL S.A."

(2) The legal form of the company is joint stock company, established according to the applicable regulations as an Alternative Investment Fund of investment companies type – AIFIC (Romanian acronym FIAS), the category of alternative investment fund addressed to retail investors – AIFRI (Romanian acronym FIAIR), with a diversified investment policy, closed-ended, self-managed.

(3) The Company is self-managed and is authorized by the Financial Supervisory Authority as alternative investment fund manager.

(4) The company operates under the provisions of ordinary and special laws, concerning: the alternative investment funds, established as investment companies with legal personality, whose shares are listed on a regulated market, the alternative investment fund managers, the companies admitted to trading on a regulated market, the joint-stock companies, the provisions of these Articles of Association, as well as the rules and operating procedures of the company.

(5) The registered office of the company is: The Municipality of Bucharest, Sector 2, 46-48 Serghei Vasilievici Rahmaninov Street, 3rd floor. The company may establish branches, subsidiaries, agencies, representative offices, and places of business, both in the country and abroad, in compliance with the applicable legal requirements.

(6) The duration of company's operation is of 99 years. The shareholders have the right to extend the duration of the company before its expiration, by a resolution of the Extraordinary General Meeting of Shareholders.

#### **Article 2 Object of the company.**

(1) The main object of activity: Financial intermediation except for activities of insurance and of pension funds,

NACE (Nomenclature of Economic Activities) (Romanian acronym CAEN) code 64, and the main object of company's activity is Other financial intermediation n.c.a., NACE code 6499. The object of company's activity consists in:

- a) portfolio management;
- b) risk management;
- c) other activities carried within the collective management of an investment fund, permitted by the legislation

in force, such as:

(i) management of the entity: legal and accounting services of the company, requests for information from investors, valuation of assets, tax returns, monitoring of compliance with applicable law, record of holders of equity securities, distribution of income, issuance and repurchase of equity securities, settlement of contracts, including issuance of certificates, record keeping.

(ii) distribution;

(iii) activities related to the assets of the AIF: services required for the carrying out the duties of AIFM's management, infrastructure management, real estate management, advice to entities on the structure of capital, industrial strategy and related matters, consultancy and services on mergers and acquisitions of entities, as well as other services related to the management of the AIF and of the companies and other assets in which it has invested.

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(2) The Arad Branch of Lion Capital S.A., without separate legal personality, located in the Municipality of Arad, 35A Calea Victoriei, Arad County, carries out the same business activity as the Company.

### **Article 3 Share capital and shares.**

(1) The share capital of the company amounts to RON 50,751,005.60, and is divided into 507,510,056 shares of RON 0.10 each, appropriated per shareholders as shown in the records entered in the shareholders' registry.

(2) The shares issued by the company are registered, of equal value, issued in dematerialized form and grant equal rights to their holders. The nominal value of a share is RON 0.10. The shares are indivisible, and the company admits a sole representative to exercise the rights attached to a share.

### **Article 4 The Shareholders.**

(1) Shareholders of the Company are the persons who have acquired shares of the company, in compliance with the applicable legal provisions, the proof of this quality being attested by the account statement issued by the authorized entity according to the law.

(2) May become shareholders of the Company the persons that purchase shares on the regulated market or acquire shares of the Company in another manner permitted by law or Company's Articles of Association.

### **Article 5 Rules on the issue, holding and sale of shares.**

(1) New shares may be issued pursuant to the legal regulations for the increase of share capital;

(2) Shares may be ordinary or preference shares, per law;

(3) The record of company's shares and shareholders is kept by the authorized central depository, pursuant to the provision of the law;

(4) The shares held by the shareholders will be nominative (registered), dematerialized and registered by entry in the account;

(5) The shares are freely negotiable;

(6) Trading of shares shall be performed only on the regulated market on which they are listed.

(7) The company may repurchase its own shares, under the conditions and in compliance with the applicable legal provisions. The shares of the Company may not be repurchased at the request of the investors, directly or indirectly, from Company's assets, before the beginning of the liquidation stage of the Company.

### **Article 6 The General Meeting of Shareholders.**

(1) The General Meeting of Shareholders is the supreme deliberation and decision-making body of the company and operates in accordance with the legal provisions in force and of the articles of association.

(2) The general meetings are ordinary and extraordinary.

(3) The Ordinary General Meeting shall be convened at least once a year no later than four months after the end of the financial year.

(4) The extraordinary general meeting shall be convened whenever needed.

(5) Besides debating other issues on the agenda, the Ordinary General Meeting shall:

a) discuss, approve, or amend the financial statements, based on the reports of the Board of Directors (administrators) and the financial auditor, and set the dividend.

b) elect and revoke the administrators (members of the Board of Directors);

c) appoint or dismiss the financial auditor and set the minimum duration of the contract for the financial audit;

d) to determine the remuneration for the current year for the administrators, as well as the general limits of all the additional remunerations of the administrators and of the remunerations of the directors to whom the management of the company has been delegated, according to Law no. 31/1990;

e) to decide upon the activity of the administrators;

f) to determine the income and expenditure budget and, where appropriate, the operational plan for the succeeding financial year;

g) to decide on the pledge, lease or closing of one or several units of the company.

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

(7) The Extraordinary General Meeting convenes for:

- a) the increase of the share capital, which will be carried out in compliance with the legal provisions in force;
- b) changing the company's object of activity;
- c) changing the legal form of the company and / or changing the form of administration, in accordance with the law;
- d) moving the company's headquarters;
- e) merger with other companies;
- f) reduction of the share capital or its replenishment by issuing new shares;
- g) early dissolution of the company;
- h) conversion of shares from one category to another;
- i) consolidation or division (splitting) of the nominal value of the shares;
- j) prolongation of the company's duration;
- k) any other amendment of the Articles of Association or any other decision for which the approval of the extraordinary meeting is required.

(8) The Extraordinary General Meeting has delegated to the Board of Directors the exercise of its powers to:

- (a) increase the share capital;
- (b) change the object of the company, except for the field and the main business of the company, which remain within the exclusive competence of the extraordinary general meeting;
- (c) the establishment, or the dissolution of branches, agencies, representative offices, places of business or other units without legal personality, under the conditions provided by law.

(9) Convening the general meeting of shareholders shall be done considering the legal provisions in force and the provisions of these Articles of Association;

(10) The convening notice for the general meeting is published in the Official Gazette of Romania, Part IV, and in one of the widespread newspapers in the locality where the company's headquarters are located or in the nearest locality, at least 30 days before the date for its holding.

(11) The Ordinary and the Extraordinary General Meeting shall be convened by the Board of Directors, pursuant to the applicable law.

(12) The shareholders registered as at the reference date have the right to participate in the general meeting of shareholders.

(13) Shareholders who are to benefit from dividends or other rights and who are affected by the decisions of the general meeting of shareholders will be identified based on the list provided by the register company as at the date set by the general meeting of shareholders.

(14) Shareholders may attend the general meeting of shareholders directly or may be represented by other persons, shareholders or not, on the basis of a special or general empowerment, according to the law. Shareholders may grant a general empowerment to attend and vote at the general meeting of shareholders, granted by a shareholder, as a client, to an intermediary defined under applicable law, or to an attorney. Shareholders may also vote by correspondence in accordance with applicable legal regulations. The transmission of empowerments (proxies) or votes by correspondence must be carried out so that they are registered with the company at least 48 hours before the meeting, in compliance with the regulations, legal provisions and procedures for the organization and conduct of general meetings, approved, and published according to the law, and the provisions of these Articles of Association, subject to losing the right to vote.

(15) Each share entitles to one vote. The general meeting of shareholders will determine for each resolution adopted at least the number of shares for which valid votes were cast, the proportion of the share capital represented by those votes, the total number of valid votes cast, as well as the number of votes cast "for" and "against" each decision and, if applicable, the number of abstentions. Completing the ballot with the "abstain" option regarding any or even all of the items on the agenda of a general meeting

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of shareholders represents a vote also expressed on the respective items on the agenda, the related convening notice will include express mentions with regard to this matter.

(16) To validate the discussions of the ordinary general meeting it is required the presence of shareholders representing at least one quarter of total voting rights. The decisions of the ordinary general meeting shall be taken by the majority of the votes cast.

(17) If the requirements of validity are not met, a second call of the meeting shall take place, this meeting having the authority to discuss the issues on the agenda regardless of the share capital represented by the shareholders present, and decisions are to be taken by the majority.

(18) To validate the decisions of the extraordinary general meeting it is required for the first call the presence of shareholders holding at least a quarter of the total number of voting rights, and for the subsequent calls, the presence of shareholders representing at least one fifth of the total of voting rights. The decisions are taken by a majority of votes held by shareholders that are present or represented. The decision to change the main activity of the company, to reduce or increase the share capital, to change the legal form, to merge, split or dissolve the company shall be taken by a majority of at least two thirds of the voting rights held by the shareholders that are present or represented.

(19) The resolutions of the ordinary or extraordinary general meeting may also be adopted based on the votes cast by correspondence and / or by another procedure for consulting the shareholders permitted by law. The procedure for consulting the shareholders will be in accordance with applicable law, the Board of Directors having the responsibility for organizing and the conduct of the voting methods in the general meetings of shareholders, within the limits provided by law.

(20) Resolutions of the general meeting are taken by open vote. The secret ballot is mandatory for the election or revocation of the Board of Directors, for the appointment or revocation of the financial auditor and for taking the decisions regarding the liability of the members of the management (Board), executive management and control bodies of the Company.

(21) The members of the Board of Directors may not vote on the basis of the shares they own, either personally or through representatives, for their own discharge of liabilities or on matters concerning their persons or their activity.

(22) The shareholder having an interest contrary to that of the company in a particular operation, will have to refrain from deliberations on that operation.

(23) A shareholder failing to meet this provision shall be liable for damages to the company, if without their vote the required majority would not have been met.

(24) The decisions taken by the general meeting compliant to the law and the company's Articles of Association are also mandatory for the shareholders who did not attend the meeting or voted against.

(25) The general meeting of shareholders shall be presided by the Chairman of the Board of Directors, and in his absence, by the Vice-Chairman.

(26) Upon the request of Lion Capital SA, the central depository that keeps records of company's shareholders shall provide the necessary data and information for the organization and the conduct of the general meeting of shareholders, pursuant to the legal and conventional provisions in force.

(27) The general meeting of shareholders elects from amongst the shareholders one to three secretaries to verify the attendance list and the representation of shareholders, their voting right, the fulfilment of formalities required by law and by the Articles of Association for holding the general meeting, and to draft the minutes of the meeting, which will be recorded in register and will be signed by the chairman of the general meeting and by the secretaries. The Chairman could appoint, of Company's employees, one or several technical secretaries to take part in the implementation of the operations provided for above.

## **Article 7 The Board of Directors.**

(1) The company is administrated by board of directors (administrators) comprised of 5 members, elected by the general meeting for a period of 4 years, with the possibility to be re-elected. In case of vacancy of one or more administrators, the other administrators shall appoint interim administrators until the assembly of the general meeting.

(2) The members of the Board of Directors (administrators) must have a good reputation and enough experience to ensure the sound and prudent management of the company. The administrators have to

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meet the general requirements provided by Company Law no. 31/1990 supplemented with the special ones provided by the applicable capital market legislation and ASF regulations.

(3) The administrators will be remunerated for their activity, as approved by the general meeting of shareholders.

(4) The administrators must conclude a professional liability insurance, under the terms provided by law;

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

(6) The Board of Directors meets at the company's headquarters or other venue indicated in the Convening Notice, once a month or whenever necessary, as convened by the Chairman, or in his absence thereof, by the Vice-Chairman.

(7) The Board of Directors may also be convened at the reasoned request of at least 2 of its members or of the CEO (general director). In this case, the agenda is decided by the authors of the request. The Chairman is bound to agree on such request.

(8) The convening notice for the meeting of the Board of Directors will be sent to the administrators (members of the Board) sufficiently before the date of the meeting, the term, and the modalities of holding the meeting being established by the working procedures approved by the Board of Directors, in compliance with the legislation in force. The convocation will include the date, the place where the meeting will be held, and the agenda. Decisions that are not provided for on the agenda may be taken only in cases of urgency. The Chairman shall chair the meetings. In the absence of the Chairman, the proceedings shall be chaired by the Vice-Chairman. For the validity of the decisions of the Board of Directors, the presence of at least half of the number of members is required, provided by the Articles of Association.

(9) The members of the Board may also attend the meetings by means of remote communication (e.g. conference-calls, video-conferences, Internet-conference, a.s.o.) about which an indication shall be made in the minutes of the meeting. In exceptional cases, justified by the urgency of the situation and the interest of the Company, the decisions of the Board of Directors, except for those concerning the annual financial statements or the authorized capital, may be taken by the unanimous vote expressed in writing (e-mail and fax included) of the members of the Board, without a meeting of the Board of Directors being necessary.

(10) Decisions of the Board of Directors shall be taken by a majority vote of the members present.

(11) The Board of Directors has the power to decide during the interval between general meetings regarding the management of the company, except for the decisions that the law or the Articles of Association indicate exclusively for the general meeting.

(12) The Board of Directors decides upon:

- a) the strategy and the investment and development policy of the company;
- b) submits for the approval of the general shareholders meeting, within legal term, the report on the company's activity, its financial position and results, and the draft of company's budget;
- c) preparing the annual report, general shareholders' meeting organization and implementing its resolutions;
- d) submits for approval to the general meeting of shareholders the adjustment of the income and expenditure budget, depending on the fluctuations in the economy;
- e) the rules of organization and functioning of the company, policies and strategies for fund management;
- f) setting the accounting policies and financial control system, as well as approving the financial planning;
- g) setting the policies and procedures on significant risk management; approving risk limits and risk tolerance;
- h) measures of acquisition, disposal, exchange or warrant of assets classified as non-current assets of the company, whose value exceeds individually or cumulatively, during a financial year, 20% of the total noncurrent assets, less the receivables, will be concluded by the administrators or executive directors of the company only after their prior approval of the extraordinary general meeting of shareholders in accordance with the law;
- i) the appointment and removal of executive directors as well as the establishment of their competencies;
- j) the contracts with the depositary bank, the financial auditor and with the central depository, according to the regulations in force;

**LION CAPITAL S.A.**  
CUI • CIF RO2761040  
RC J02/1898/1992  
**SUBSCRIBED AND PAID-UP CAPITAL**  
RON 50,751,005.60

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- k) solving any other matters decided by the general meeting of shareholders;
- (13) The duties and powers of the Chairman of the Board shall be established by internal regulations.
- (14) The Board of Directors delegates the management of the Company to the directors, at the same time determining their remuneration, within the general limits approved by the General Meeting of Shareholders. The directors of the company shall meet the minimum requirements regarding integrity, qualification and professional experience provided by the applicable regulations and legal provisions in force. The duties and powers of decision and signature, as well as the way of organizing the activities of the directors, are provided in the internal regulations of the Company, approved by the Board of Directors.
- (15) The Chairman-CEO or, in his/her absence, the vice-chairman, if he/she holds the position of deputy general director or, in the absence of the latter, the other directors to whom management has been delegated, represent(s) the company in relations with third parties, within the limits of the duties and powers provided by the internal regulations of the Company and the powers of decision and signature, approved by the Board of Directors.
- (16) The members of the Board of Directors are entitled to recover the costs incurred in exercising their mandate.
- (17) The General Meeting of Shareholders shall annually determine the amount of remuneration to be paid to the administrators.
- (18) The revocation of the Board of Directors will be possible only on duly justified reasons, by the ordinary general meeting of shareholders.
- (19) The Board of Directors has the responsibility to ensure the establishment and implementation of corporate governance principles regarding, but not limited to:
- a) the strategic management of the company and fulfilling the set objectives;
  - b) formulation of company's business plan and evaluation of the financial position thereof;
  - c) ensuring that an appropriate framework to verify the information submitted to the regulatory and supervisory entity, upon their request, concerning specific actions undertaken by the company and the verification of the manner the specific law is applied concerning the submitting the reports to regulatory and supervisory entity;
  - d) the adequacy, efficiency and update of risk management system;
  - e) the adequacy, efficiency, and update of the internal control-compliance system, so as to ensure its independence from the operational and support organizational structures within the company, which it controls and monitors;
  - f) compliance with the requirements concerning outsourcing / delegating operational activities or functions;
  - g) establishing and reviewing the remuneration policy so as to ensure that all commitments relating to remuneration are correctly and responsibly structured and that the remuneration policy allows and promotes an effective risk management without leading to risk-taking exceeding the company's risk tolerance;
  - h) establishing the communication strategy with stakeholders, complying with the legal requirements;
  - i) establishing relevant criteria for monitoring the results of the executive management and the company as a whole, and to annually evaluate the application of the criteria;
  - j) approval of company's risk appetite and risk tolerance limits, and the procedure for identifying, assessing, monitoring, managing and reporting the significant risks the company is or might be exposed to;
  - k) ensuring the preparation and implementing of clear action plans ensuring business continuity and for emergency situations and their bi-annual evaluation in order to eliminate risks or mitigate them;
  - l) ensuring the development of ethical and professional standards to ensure a professional and responsible behaviour in the company in order to prevent the occurrence of conflicts of interest.

#### **Article 8 Financial audit and internal audit.**

- (1) The financial year of the company shall begin on the date of January 1, and end on December 31 of each year.
- (2) The annual financial statements, the annual report of the Board of Directors, and the proposal on the distribution of profit shall be made available to shareholders at least 30 days before the date of the general meeting of shareholders.

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- (3) The net profit will be distributed according to the approval of the ordinary general meeting of shareholders and the legal provisions in force;
- (4) The company constitutes legal reserves and other reserves, in accordance with the law.
- (5) Dividends shall be distributed to shareholders in proportion to the number of shares held.
- (6) The payment of dividends due to shareholders is made by the company, in accordance with the law.
- (7) If a loss of net assets is found, the general meeting of shareholders will analyse the causes and decide accordingly, as per law.
- (8) The financial statements of the company are audited by a financial auditor in accordance with the applicable legal provisions.
- (9) The financial auditor will be appointed by the general meeting of shareholders, which will set the term of office. The activity of the financial auditor will be carried out in accordance with the legal provisions in force, based on a service contract that will be approved by the Board of Directors;
- (10) The company will organize its internal audit in accordance with the legal provisions in force.

#### **Article 9 Company's personnel.**

- (1) The company's organization and the establishment plan with the payroll limits are approved by the Board of Directors.
- (2) The members of the personnel are employed by the CEO (General Director).

#### **Article 10 Borrowings.**

The company may temporarily borrow funds, in compliance with the regulations in force.

#### **Article 11 Investments of the company .**

- (1) The company may acquire and hold investments only in the assets and under the conditions allowed by the regulations in force.
- (2) The investment policy is established by the company, in compliance with the prudential rules provided by the applicable regulations and legal provisions. The investment policy is established in accordance with the legal provisions applicable to alternative investment funds addressed to retail investors, with a diversified investment policy. The rules of AIF detail the investment policy and include the types of investments allowed according to the legal provisions.

#### **Article 12 Reports.**

The company shall publish reports and statements set by the regulations in force and comply with all reporting requirements established by law, regulations of the supervisory authority and of the regulated market on which the shares issued by the company are traded.

#### **Article 13 Transparency.**

- (1) The company shall provide all necessary facilities and information to enable shareholders to exercise their legal and statutory rights pursuant to the applicable legal provisions.
- (2) The Company shall provide equal treatment for all the shareholders who hold shares of the same class.

#### **Article 14 Incompatibilities**

- (1) The persons elected in the Board of Directors shall meet the requirements laid down in Law 31/1990 republished and the capital market legislation and shall not be members of the board of directors / supervisory board or managers / members of the executive board of another AIFM/investment management company/investment company or of Lion Capital S.A. depositary bank, shall not be members of the board of directors/supervisory board of the SSIF with which [...] S.A. concluded a financial intermediation contract and shall not be employed or have any kind of contractual relationship with another SAI or an investment company, except for other entities belonging to the same group.
- (2) The persons appointed as directors (managers) and the persons replacing them in office shall not be members of the board of directors / supervisory board or managers / members of the executive board of other AIFM or of credit institutions acting as depositary for Lion Capital SA, not to be members of the board of directors / supervisory board, managers or members of the executive board of the investment firm (SSIF) with which Lion Capital SA concluded a financial intermediation contract and not to be employed or have any kind of contractual relationship with another AIFM, except for other entities belonging to the same group.

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**Article 15 Net asset of the company.** Net asset value will be monthly calculated, certified, and published in compliance with the applicable regulations in force. The evaluation of the assets under company's management for the calculation of the net asset value will be performed in compliance with the legal regulations in force.

**Article 16 Depositary of assets.**

(1). The company will conclude a depository contract with a depository (bank) authorized and supervised by the competent authority, in accordance with applicable law. The activities that the depository will carry out will be provided in the contract concluded between the Company and the depository (bank).

(2) The depository may be replaced, in accordance with the provisions of the contract concluded between the Company and the depository and in accordance with the regulations in force, ensuring the protection of investors in this situation.

**Article 17 Dissolution and liquidation of the company.**

(1) The dissolution of the company will take place in the cases expressly provided by law. In case of dissolution, the company will be liquidated.

(2) The liquidation will take place on the date of the termination of the company's existence. The Company's shares may not be redeemed at the request of investors, directly or indirectly, from the Company's assets, before the start of the liquidation phase of the Company.

(3) The liquidation complies with the procedure provided by law. After its completion, the liquidators will request the deregistration of the company from the Trade Register.

**Article 18 Litigations.**

Litigations of the company with natural or legal persons fall within the jurisdiction of the courts in Romania. They may be settled by arbitration.

**Article 19 Matters not covered.**

(1) Matters not regulated in this Articles of Association, which concern the operation of the company, merger, division, association with other companies, dissolution, and liquidation, are subject to the provisions of company law, as well as special regulations on alternative investment funds and alternative investment fund managers.

(2) Whenever the terms "law", "legal provisions", "legal regulations" are used in this Articles of Association, references shall be made to all regulations issued by the regulatory authority as well as to special or general legal provisions on the organization and operation of the company.

(3) Any subsequent normative acts that remove or restrict the limitations expressly provided for at present for self-managed alternative investment funds or for alternative investment funds managers, the clauses of this Articles of Association will be considered modified by the effect of the law.

**Article 20 Amendment of the Articles of Association.**

(1) The amendment of the articles of association will be made under the procedure provided by the regulations in force and under the conditions of the Articles of Association.

(2) The Chairman of the Board of Directors is mandated to take the necessary legal steps to sign the updated Articles of Association and request registration with the Trade Register Office.

These Articles of Association have been rewritten today October 31, 2024, in 5 (five) original copies (in Romanian).

**Chairman of the Board of Directors of Lion Capital SA  
Drăgoi Bogdan-Alexandru**

*\*These Articles of Association were rewritten on October 31, 2024, and include the amendments made by the Extraordinary General Meeting of Shareholders of Lion Capital S.A. Resolution no. 6/31.10.2024, amendments that, as of the date of this report, are in the process of being authorized by the Financial Supervisory Authority, and will become applicable only after their authorization.*

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# LION CAPITAL

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## CONSOLIDATED REPORT

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### **OF THE BOARD OF DIRECTORS**

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— FOR THE FINANCIAL YEAR —

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# 2024

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

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

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<b>ANNEX 1</b>	Consolidated financial statements for the financial year ended December 31, 2024, prepared pursuant to Norm no. 39/2015 for the approval of the Accounting Regulations compliant to the International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority (ASF) – Financial Instruments and Investments Sector – <b>audited</b>

# 1. GENERAL INFORMATION ON LION CAPITAL GROUP

## 1.1. Presentation of the Group

This report presents the Lion Capital's consolidated financial results as of December 31, 2024, prepared in accordance with the International Financial Reporting Standards adopted by the European Union, and ASF Norm no. 39/2015 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by ASF from the Financial Instruments and Investments Sector.

Lion Capital's consolidated financial statements prepared for the financial year ended December 31, 2024, include the Company and its subsidiaries (hereinafter referred to as "Group"). For the financial year 2024, the Group comprises Lion Capital (parent company), SAI Muntenia Invest S.A. and Administrare Imobiliare S.A.

## 1.2. Entities in the Scope of Consolidation

### Subsidiaries

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

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

The list of investments in subsidiaries as of December 31, 2024, and December 31, 2023, is as follows:

No.	Company Name	Stake held (%)	
		December 31, 2024	December 31, 2023
1	(SIF Imobiliare PLC Nicosia)	99.9997	99.9997
2	(SIF SPV TWO București)	99.99	99.99
3	SAI Muntenia Invest SA Bucharest	99.98	99.98
4	(SIF1 IMGB)	99.99	99.99
5	(Napomar SA Cluj-Napoca)	99.43	99.43
6	(SIF Hoteluri SA Oradea)	98.99	98.99
7	(Azuga Turism SA Bucharest)	-	98.94
8	Administrare Imobiliare SA Bucharest	97.40	97.40
9	SIF SPV THREE	99.90	-
10	(IAMU SA Blaj)	96.53	96.53
11	(Vrancart SA Adjud)	76.33	76.05
12	SIF SPV FOUR	99.90	-
13	(Uniteh SA)**	-	36.34
14	(SIFI CJ Logistic)**	5.53	5.53
15	(Ario SA Bistrița)*	-	93.64

*The subsidiaries listed in parentheses in the table above are reflected at fair value through profit or loss in the consolidated financial statements.*

*\* bankruptcy*

*\*\* Uniteh SA and SIFI CJ Logistic are subsidiaries because of the direct and indirect control through SIF Imobiliare Plc Nicosia*

## Associated Entities

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

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

No.	Company Name	Stake held (%)	
		December 31, 2024	December 31, 2023
1	Biofarm SA Bucharest	36,75	36,75

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

Companies in which Lion Capital S.A. holds between 20-50% and does not exert significant influence:

- Companies in liquidation, insolvency, bankruptcy, etc.

No.	Company Name	December 31, 2024	Stake held (%)		Status
			December 31, 2023		
1	Comar SA Baia Mare	-	34.94		Bankruptcy
2	Elbac SA Bacău	-	32.45		Bankruptcy
3	Petrocart	-	30.18		Insolvency
4	Agroproduct SA Reșița	-	30.00		Reorganization
5	Agroindustrială Nădlac	-	30.00		Bankruptcy
6	Uzina Ardealul Alba Iulia	-	29.51		Bankruptcy
7	Commixt SA Ocna Mureș	-	28.97		Bankruptcy
8	Mebis SA Bistrița	-	26.78		Insolvency
9	Exfor SA București	-	24.23		Bankruptcy
10	Mopal SA Bistrița	-	21.89		Reorganization
11	Transilvania Aiud	-	20.19		Bankruptcy

In 2024, all companies in which more than 20% of the share capital is held and that are in insolvency/liquidation/bankruptcy were sold.

In accordance with IFRS (IAS 28, paragraph 9), the Group may lose significant influence over the entities in which it has invested when it loses the power to participate in decisions regarding the financial policies and operating power of the entity, for example, when the associate comes under the control of the government, the judiciary, an administrator, or a regulatory authority.

- Companies over which it does not exert significant influence

No.	Company Name	Stake held (%)	
		December 31, 2024	December 31, 2023
1	Grand Hotel Bucharest	40.19	30.19
2	Forestiera SA Tîrgoviște	-	25.75
3	Molidul SA Suceava	-	21.63

Since the criteria in paragraph 6 of IAS 28 ("Criteria for Significant Influence") are not met, it can be concluded that Lion Capital does not hold significant influence over the associated entities in the table above.

## Transactions eliminated on consolidation

Settlements and transactions intra-group, and unrealized profits arising from intra-group transactions, are fully eliminated from the consolidated financial statements.

The accounting policies presented hereinafter have been consistently applied across all periods presented in these consolidated financial statements. The accounting policies have been consistently applied by all Group entities.

## 2. PRESENTATION OF THE ENTITIES WITHIN THE GROUP

### 2.1. Information on the Activity of Lion Capital

<b>COMPANY NAME</b>	<b>Lion Capital S.A.</b> (hereinafter referred to as “ <i>Lion Capital</i> ”, “ <i>The Fund</i> ” or “ <i>the Company</i> ”), the new corporate name, starting March 24, 2023, of SIF Banat-Crișana S.A.
<b>COMPANY TYPE</b>	<ul style="list-style-type: none"> <li>▪ joint stock company, Romanian legal entity with private capital</li> <li>▪ established as a self-managed investment company, authorized by the Financial Supervisory Authority as Alternative Investment Fund Manager (AIFM) - Authorization no. 78 / 09.03.2018, and as closed-ended alternative investment fund, diversified, addressed to retail investors (AIFRI) - Authorization no. 130 / 01.07.2021</li> </ul>
<b>SHARE CAPITAL</b>	<ul style="list-style-type: none"> <li>▪ RON 50,751,005.60 – subscribed and paid-up capital</li> <li>▪ 507,510,056 shares issued; 505,020,056 outstanding as of December 31, 2024</li> <li>▪ RON 0.10 per share nominal value</li> </ul>
<b>REGISTRATIONS</b>	<ul style="list-style-type: none"> <li>▪ Number in Trade Register J02/1898/1992</li> <li>▪ Tax Identification Code RO 2761040</li> <li>▪ Number in ASF AFIAA Register PJR07.1AFIAA / 020007 / 09.03.2018</li> <li>▪ Number in ASF FIAIR Register PJR09FIAIR / 020004 / 01.07.2021</li> <li>▪ Legal Entity Identifier (LEI) 254900GAQ2XT8DPA7274</li> </ul>
<b>MAIN ACTIVITY</b>	<p>Main activity is, as per the classification of economic activities in the national economy (NACE; ro: CAEN): financial intermediation, except for insurance and pension funds (NACE Code 64), and the main object of activity: Other financial intermediation n.c.a. (NACE Code 6499):</p> <ul style="list-style-type: none"> <li>▪ portfolio management</li> <li>▪ risk management;</li> <li>▪ other activities carried out within the collective management of an investment fund, allowed by the legislation in force.</li> </ul>
<b>TRADING MARKET</b>	The company is listed since November 1, 1999, on the regulated market of Bucharest Stock Exchange (BVB or BSE) – Premium category symbol <b>LION</b> (since May 15, 2023, previously: SIF1)
<b>FINANCIAL AUDITOR</b>	<b>Deloitte Audit S.R.L.</b>
<b>DEPOSITARY BANK</b>	<b>Banca Comercială Română (BCR)</b>
<b>SHARES AND SHAREHOLDERS' REGISTER</b>	<b>Depozitarul Central S.A. Bucharest</b>
<b>REGISTERED OFFICE</b>	<p><b>Arad</b>, 35A Calea Victoriei, 310158, Romania  TEL +40257 304 438 FAX +40257 250 165  EMAIL office@lion-capital.ro WEB www.lion-capital.ro</p>
<b>BRANCH OFFICE</b>	<p><b>Lion Capital Arad-Bucharest Branch-Rahmaninov</b>  46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest</p>



## Main Financial and Operational Information on Lion Capital

<b>FINANCIAL POSITION [RONm]</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Total Assets, of which	3,607.39	3,405.26	4,305.79	4,841.50
Total Financial Assets	3,579.13	3,374.95	4,286.62	4,788.15
Equity	3,416.13	3,242.85	4,100.37	4,593.62
Total Liabilities	191.26	162.41	205.41	247.88

<b>FINANCIAL PERFORMANCE [RONm]</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Income	135.55	174.92	166.28	229.64
Gain on Investment	288.29	(47.40)	296.85	(20.67)
Expenses	27.50	24.39	27.53	32.73
Gross Profit	396.34	103.12	435.58	176.24
Net Profit for the Year	387.00	95.47	417.26	161.73

<b>FINANCIAL INDICATORS [%]</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
ROE (Net Profit / Equity)	11.33	2.94	10.18	3.52
ROA (Net Profit / Total Assets)	10.73	2.80	9.69	3.64
Gross Profit Margin (Gross Profit / Total Income)	73.32	27.43	77.58	39.90

<b>STOCK AND NET ASSET PERFORMANCE</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Stock Price (year end, in RON)	2.5400	2.4300	2.5900	2.8500
Net Asset Value* / Share (RON)	6.7170	6.3817	8.0847	9.0838
PER**	3.4	12.9	3,15	8.93
Dividend / Share (RON)	0.06	-	-	***
Accounting Net Asset / Share (RON)	6.7311	6.3897	8.0952	9.0959
Nominal Value of Share (RON)	0.1	0.1	0.1	0.1
Number of Issued Shares	515,422,363	507,510,056	507,510,056	507,510,056
Number of Outstanding Shares	507,510,056	507,510,056	506,520,056	505,020,056

\* calculated acc. to ASF regulations

\*\* calculated using EPS for the average number of shares in the respective year

\*\*\* as per the decision of GMS of April 2025

<b>OPERATIONAL DATA</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Number of Employees, year end	33	32	32	30
Number of Branch Offices	1	1	1	1

<b>SHAREHOLDING STRUCTURE as of December 31, 2024</b>	<b>Number of shareholders</b>	<b>stake</b>
Romanian Individuals	5,732,824	39.10%
Non-Resident Individuals	2,160	1.30%
Romanian Legal Entities	102	45.09%
Lion Capital (treasury shares)	1	0.49%
Non-Resident Legal Entities	14	14.02%
<b>TOTAL</b>	<b>5,735,101</b>	<b>100%</b>

## Milestones of Lion Capital Activity in 2024

Lion Capital's investment strategy is focused on maximizing portfolio performance, with the primary objective of enhancing the value of assets under management and optimizing investment income, in line with prudential principles and applicable regulatory requirements.

The financial objective is to achieve a sustainable portfolio return, driven by dividend income and capital gain.

Lion Capital is committed to the responsible and efficient management of a diversified portfolio of high-quality assets, designed to generate a stable income stream, preserve capital, and support sustainable medium- to long-term growth. The investment strategy is grounded in strong governance principles, aiming to maximize shareholder value and deliver attractive returns while adhering to the applicable regulatory framework.

The structure and composition of Lion Capital's portfolio reflect a predominant allocation to listed companies on regulated markets, with continuous adjustments to respond to economic dynamics and financial market developments. The allocation strategy aims to maintain an optimal balance across different economic sectors, ensuring adequate diversification and mitigating specific risk exposures.

The primary objective is to identify and capitalize on growth and development opportunities within a well-defined investment framework that aligns with the assumed risk profile. To this end, Lion Capital conducts ongoing assessments of economic trends, macroeconomic and geopolitical factors, and capital market developments. This approach enables proactive risk management and swift adaptation to changes in the investment landscape, ensuring the portfolio's sustainability and performance over the medium and long term.

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

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

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

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

Lines of action for the portfolio management:

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

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

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

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

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

As of December 31, 2024, Lion Capital's net asset value (VAN) amounted to **RON 4,587,729,210<sup>1</sup>**, up **12.02%** vs. the value recorded for 2023-year end, viz. **RON 4,095,059,742**. Net asset value per share (NAV/S) was of **RON 9,0838 / share** as of December 31, 2024 (31.12.2023: **RON 8,0847 / share**).

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

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

Starting with July 1, 2021, the date of authorization of SIF Banat-Crișana (currently Lion capital) as an alternative investment fund addressed to retail investors, the calculation of the net asset value was performed in accordance with the provisions of *Law no. 243/2019 on alternative investment funds and for the amendment and completion of certain normative acts* and of the *ASF Regulation no. 7/2020 on the authorization and operation of alternative investment funds* with subsequent amendments and completions. From this date, the reporting formats of *statement of assets and liabilities*, respectively *the detailed statement of investments*, related to the reporting period comply with the content established in annexes no. 10 and 11 of the ASF Regulation no. 7/2020, with subsequent amendments and completions.

Throughout 2024, the valuations of assets for NAV calculation were performed in accordance with the provisions of the regulations issued by the Financial Supervisory Authority, complying with the provisions of ASF Regulation no. 10/2015 and ASF Regulation 9/2014 (art. 113 – 122), with subsequent amendments and completions.

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

The investment limits and restrictions incidental to the operations carried out by Lion Capital during 2024 complied with the legal provisions incidental to the quality of Closed, Diversified Alternative Investment Fund addressed to retail investors and no violations of these limits were recorded.

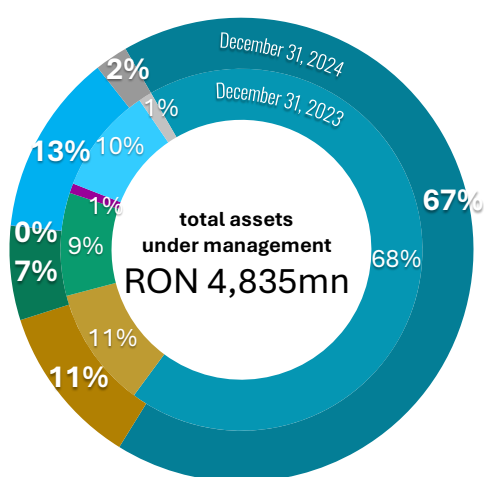
The management has established procedures for the internal risk management to identify, monitor and cover the risks associated with the investments made by the Company. The management regularly reviews the compliance with the prudential limits and investment restrictions, so that in the event of unintentional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

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<sup>1</sup> Net Asset Value as of 31.12.2024 was recalculated as follows: portfolio items (shares) measured on the basis of valuation reports - recorded at values updated as of 31.12.2024; non-portfolio items - based on the final balance sheet underlying the preparation of the standalone annual financial statements subject to the approval of the OGM of April 2025. Statement of assets and liabilities of Lion Capital as of December 31, 2023, and detailed statement of investments (as per annexes 10 and 11 to Regulation No. 7/2020) - restated and certified by the depositary of assets, Banca Comercială Română - are attached to this report.

**ASSETS UNDER MANAGEMENT as of December 31, 2024**

breakdown on classes (weight on total assets)

■ **listed shares**worth **RON 3,247.38mn**

(31.12.2023: RON 2,944.09mn)

■ **unlisted shares**worth **RON 545.08mn**

(31.12.2023: RON 463.12mn)

■ **unlisted fund units**worth **RON 316.97mn**

(31.12.2023: RON 395.55mn)

■ **corporate bonds**worth **RON 1.26mn**

(31.12.2023: RON 37.45mn)

■ **bank deposits + cash available**worth **RON 612.92mn**

(31.12.2023: RON 408.81mn)

■ **receivables and other assets**worth **RON 111.76mn**

(31.12.2023: RON 51.45mn)

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

Detailed information on Lion Capital's activity in 2024, the statement of assets and liabilities and the detailed statement on investments as of December 31, 2024, the management of risks the Company is exposed to, corporate governance matters, are presented in the Annual Report for 2024, that includes the Separate Financial Statements as of 31.12.2024, prepared as per IFRS, available on the Company's website at [www.lion-capital.ro](http://www.lion-capital.ro).

## 2.2. Information on the Entities in the Scope of Consolidation

### **SAI MUNTENIA INVEST SA Bucharest**

*Lion Capital's stake as of 31.12.2024: 99.98%*

SAI Muntenia Invest SA was established in 1997 was acquired by Lion Capital in 2013 and operates as an independent investment management company without any subsidiaries, branches, or offices. As of December 31, 2024, Lion Capital holds a 99.98% stake in SAI Muntenia Invest's share capital.

The Company's principal activity (NACE Code 6499 – Other financial intermediation not elsewhere classified) comprises the management of collective investment schemes in securities (UCITS) established in Romania or another EU Member State, as well as the management of alternative investment funds (AIFs), in accordance with applicable legislation. SAI Muntenia Invest is authorized by the Financial Supervisory Authority (ASF) to operate as an Investment Management Company, and its activities are regulated and supervised by the ASF.

In 2024, SAI Muntenia Invest's core operations included the management of Longshield Investment Group S.A., FDI PLUS Invest, and FIA Muntenia Trust. The administration, management of the financial asset portfolio, and execution of investment transactions on behalf of Longshield Investment Group S.A. were carried out in compliance with current legal provisions, the management agreement between SAI Muntenia Invest and Longshield Investment Group S.A., the constitutional documents of Longshield Investment Group S.A., and the Administration Program approved by its General Meeting of Shareholders.

The open-ended investment fund PLUS Invest operates under Authorization No. A/86/09.04.2014 issued by the ASF and is registered in the ASF Register under number CSC06FDIR/120092. FDI PLUS Invest aims to allocate financial resources in such a manner as to protect investors' capital from the long-term erosion effects of inflation, while achieving returns superior to those obtainable through individual bank deposits. In 2024, the Fund was managed on a continuous basis, adhering to its governing documents and all applicable legal regulations.

FIA Muntenia Trust is classified as an Alternative Investment Fund of the contractual private capital type (FIAIPCP) targeted at professional investors. Its objective is to identify opportunities offering superior risk-adjusted returns to drive long-term capital growth. FIA Muntenia Trust was authorized as an FIAIPCP by ASF Authorization No. 147/13.10.2022 and is registered in the ASF Register under number CSC09FIAIPCP/400001. The Fund's mandate is to mobilize the financial resources attracted from its investors for investment predominantly in the equities and bonds of Romanian companies. It is designed for professional investors with an above-average risk appetite who endorse and align with the Fund's investment policy.

During 2024, SAI Muntenia Invest, whether investing on its own behalf or through the entities under its management, refrained from investing in derivative financial instruments whether traded on regulated markets, on organized trading facilities (OTF), or over-the-counter (OTC). The Company did not employ leverage, collateralized transactions, or asset reuse techniques, nor did it engage in securities financing transactions (SFTs) or utilize total return swap instruments as defined by EU Regulation 2015/2365.

### **Administrare Imobiliare SA Bucharest**

*Lion Capital's stake as of 31.12.2024: 97.40 %*

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

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

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

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

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

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

## 2.3. Outlook on the Activity

Macroeconomic forecasts for Romania suggest a modest recovery in economic activity in 2025. Building on a real GDP growth of approximately 1.4% in 2024, the recovery is expected to accelerate in 2025, reaching an estimated growth rate of around 2.5%. This improvement is largely driven by a rebound in external demand, enhanced financial conditions, and the resilience of private consumption and investment.

In February this year, the National Bank of Romania revised its inflation forecast for the end of 2025 upward from 3.5% to 3.8%, citing unanticipated price increases in key components of the consumer basket and a less favourable evolution of core inflation. This adjustment reflects a stabilization in energy prices, a moderation in wage increases, and a gradual easing of underlying pressures, although some persistent strains may remain amid rising disposable incomes.

Romania's labour market is projected to remain relatively stable, with an estimated unemployment rate of approximately 5.5% in 2025. Labor market tensions are expected to ease modestly, and while moderate wage growth continues to support purchasing power, it is anticipated to temper as inflation subsides. These dynamics contribute to overall economic stability, even as medium-term developments warrant careful monitoring.

On the external front, Romania is forecast to continue experiencing a current account deficit, projected at approximately –7.6% of GDP in 2025, compared to –8.3% in 2024. This outcome reflects both a recovery in exports and a moderation of imports, alongside a significant impact from robust domestic demand that fuels both consumption and related imports.

In addition to the positive prospects associated with economic recovery, the **European Commission's Economic Forecast for Romania** (published in November 2024) underscores several risks:

- **External Uncertainties:** A gradual recovery in external demand may be disrupted by geopolitical developments and shifting international economic conditions.
- **Fiscal Challenges:** Persistently high deficits and a rising public debt could undermine macroeconomic stability, potentially necessitating stringent fiscal consolidation measures.
- **Labor Market Pressures:** Although unemployment remains relatively low, the dynamics of wage growth and the pressures for further increases must be carefully monitored to prevent additional inflationary pressures.

According to the report, the Romanian economy is expected to achieve a moderate recovery in 2025, with GDP growth of approximately 2.5% and a reduction in inflation to around 3.9%. Stability in the labour market and robust consumer spending are anticipated to underpin this growth. Nonetheless, the challenges posed by a persistently high budget deficit, rising public debt, and external sector imbalances necessitate prudent economic management. In summary, while there are promising signs of economic recovery, significant structural and external risks call for cautious and balanced policy measures.

Sources of information for 2025 outlook:

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

### 3. SUMMARY OF CONSOLIDATED FINANCIAL DATA FOR THE GROUP AS OF DECEMBER 31, 2024

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The consolidated financial statements as of December 31, 2024, were prepared pursuant to Norm no. 39/2015 approving Accounting Regulations applicable to entities authorized, regulated, and supervised by the Financial Supervisory Authority (ASF) in the Sector of Financial and Investment Instruments.

#### 3.1. Bases of presentation of consolidated statements

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

The consolidated financial statements are prepared using the fair value convention for financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income, tangible fixed assets such as land and buildings, and investment properties.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the parent company, its subsidiaries, and the companies in its portfolio will be able to continue to dispose of assets and meet their obligations in the ordinary course of business.

The Group adopted the document “Presentation of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)” starting January 1, 2023. Management has reviewed the accounting policies in this context, and the Amendments did not lead to changes in the accounting policies themselves.

The Amendments require the presentation of “material” accounting policies, rather than “significant” accounting policies. They also provide guidance on the application of the concept of “material” in the presentation of accounting policies.

The adopted accounting policies are applied consistently across all periods presented in these consolidated financial statements.

Since the 2018 financial year, the Company has measured all of its subsidiaries at fair value through profit and loss, with the exception of subsidiaries providing investment-related services, which will continue to be consolidated.



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

(extract from the accompanying consolidated financial statements)

in RON	December 31, 2024	December 31, 2023
<b>Revenues</b>		
Dividend income	161,438,194	121,915,413
Interest income (assets at amortized cost, assets at FVTOCI)	31,799,932	7,941,984
Interest income (assets at FVTPL)	5,507,363	9,700,808
Other operating revenues	46,316,974	53,293,677
Other financial revenues	445,500	
<b>Gain/(Loss) on investment</b>		
Gain / Loss) on investment property	596,250	16,533,768
Gain / Loss) on foreign exchange	(78,721)	1,347,864
Gain / Loss) on financial assets at FVTPL	(20,600,123)	294,280,842
<b>Expenses</b>		
Reversals / (set-up) of provisions for risks and expenses	(2,138,598)	(891,602)
Reversals / (set-up) of adjustments for impairment of current assets	(40,296)	(115,981)
Interest expenses	-	(210,369)
Commissions expenses	(5,768,681)	(5,068,294)
Other operating expenses	(46,743,495)	(39,056,909)
<b>Profit before tax</b>	<b>170,734,299</b>	<b>459,671,201</b>
Income tax	(18,597,585)	(26,771,572)
<b>Net profit for the financial year</b>	<b>152,136,714</b>	<b>432,899,629</b>
<b>Profit is attributable to:</b>		
Parent company	151,118,901	432,815,498
Non-controlling interests	17,813	84,131
Total profit for the financial year	<b>152,136,714</b>	<b>432,899,629</b>
<b>Other comprehensive income</b>	<b>321,204,281</b>	<b>432,723,237</b>
<b>Total comprehensive income for the period</b>	<b>473,340,995</b>	<b>865,622,866</b>

The total revenues generated by the Group in 2024 primarily result from dividends received from the parent company's holdings, as well as from revenues earned by subsidiaries through investment management activities (management fees). The increase compared to the previous year is mainly influenced by the growth in the performance fee (included in other operating income).

The evolution of the **Gain/(Loss) from Investments** compared to the previous year is due to negative valuation differences related to assets measured at fair value through profit or loss (shares in deconsolidated subsidiaries, shares in associates, holdings in investment funds, and corporate bonds). The main factors contributing to unfavourable fair value differences were the holdings in listed subsidiaries and associates, whereas in 2023, these investments represented the primary source of investment gains reported by the parent company.

**Expenses** include total operating expenses (such as remuneration, commissions, etc.) incurred by the Group in the course of its investment management activities. The structure and details of these expenses are presented in the specific notes of the consolidated financial statements accompanying this report.

The category **Other Comprehensive Income** includes both gains from transactions recognized directly in equity (retained earnings) and the effect of fair value measurement of the Group's financial securities portfolio. The variation in the fair value of financial assets is largely attributable to the parent company. The evolution of this component compared to the previous year is the result of significant declines in the fair values of financial assets measured at fair value through other comprehensive income and listed on the stock exchange, primarily affecting financial-sector issuers.

### 3.3. Consolidated Statement of Financial Position

(extract from the accompanying consolidated financial statements)

<i>In RON</i>	<i>December 31, 2024</i>	<i>December 31, 2023</i>
<b>Assets</b>		
Cash and cash equivalents	628,813,111	417.878.500
Bank deposits	21,079,992	19.674.562
Other financial assets measured at amortized cost	1,257,518	-
Other financial assets	54,104,542	37.869.832
Other assets	530,109	442.330
Assets held for sale	64,940,084	64.940.084
Financial assets at fair value through profit and loss	1,753,626,278	1.920.410.142
Financial assets at fair value through other comprehensive income (shares)	2,274,160,300	1.826.159.366
Investment property	31,887,961	33.745.945
Tangible assets	7,562,103	6.216.225
<b>Total Assets</b>	<b>4,837,961,998</b>	<b>4.327.336.986</b>
<b>Liabilities</b>		
Payable dividends	9,816,738	9,886,856
Other financial liabilities	5,424,817	17,386,795
Other liabilities and deferred income	67,069,538	64,954,572
Provisions for risks and expenses	5,871,197	3,732,599
Deferred income tax liabilities	228,620,327	181,027,745
<b>Total Liabilities</b>	<b>316,802,618</b>	<b>276,988,567</b>
<b>Equity</b>		
Share Capital	50,751,006	50,751,007
Treasury shares	(7,221,000)	(2,494,800)
Losses on the repurchase of own shares	(151,959)	(31,973)
Benefits granted in equity instruments	2,399,100	2,159,850
Other reserves	2,116,822,167	1,699,567,035
Reserves from revaluation of tangible assets	2,523,295	1,176,569
Legal reserves	10,451,417	11,106,413
Reserves from revaluation of financial assets at FVTOCI	1,324,061,145	1,002,509,286
Retained earnings	1,019,841,761	1,284,040,414
<b>Total</b>	<b>4,519,476,932</b>	<b>4,048,783,801</b>
Non-controlling interests	1,682,347	1,564,619
<b>Total Equity</b>	<b>4,521,159,380</b>	<b>4,050,348,420</b>
<b>Total Equity and Liabilities</b>	<b>4,837,961,998</b>	<b>4,327,336,987</b>

The significant changes in balance sheet items compared to the previous year are due to structural modifications in the parent company's assets, as a result of:

- Recognition of positive valuation differences related to:
  - Financial assets measured at fair value through profit or loss (impacting equity under the Retained Earnings position).
  - Financial assets measured at fair value through other comprehensive income (impacting equity under the Revaluation Reserves of Financial Assets Designated at Fair Value through Other Comprehensive Income position), as well as liabilities under Deferred Income Tax Liabilities (which includes adjustments to the liability due to the reduction of the taxable component of revaluation reserves).

### 3.4. Presentation on Segments

In 2024 and 2023, the Group operated on a single segment, namely the financial activity.

Within the financial activity, the activity of three companies was included (2023: 3).

## 4. DESCRIPTION OF MAIN RISKS FOR THE GROUP

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

The Group uses a variety of policies and procedures for managing and evaluating the types of risk to which it is exposed, both at the parent company and subsidiary levels. These policies and procedures are detailed in the sub-chapters dedicated to each type of risk under Note 5 of the attached Consolidated Financial Statements for 2024.

### 4.1. Financial Risks

#### Market Risk

Market risk refers to the current or future risk of incurring losses related to positions on the balance sheet and off-balance-sheet positions due to unfavourable market fluctuations in prices (such as stock prices, interest rates, or exchange rates). The Group's management establishes acceptable risk limits, which are regularly monitored. However, using this approach does not prevent losses beyond the established limits in the case of significant market fluctuations.

Position risk is associated with the Group's portfolio of financial instruments held with the intention of benefiting from favourable price movements of those financial assets or from potential dividends/coupons paid by issuers. The Group is exposed to position risk, both general and specific, due to short-term investments in bonds, stocks, and fund units.

Management has continuously aimed to minimize potential adverse effects associated with this financial risk through an active and prudent portfolio diversification policy, as well as through the use of one or more risk mitigation techniques depending on the market price movements of the financial instruments held by the Group.

#### Concentration Risk

Concentration risk concerns all assets held by the Group, regardless of their holding period, and aims to reduce the risk of excessive exposure to a single debtor/issuer at the Group level.

The Management's exposure diversification policy applies to the portfolio structure, the business model structure, and the structure of exposures to financial risks. This diversification policy involves: diversifying the portfolio by avoiding excessive exposure to a single debtor, issuer, country, or geographical region; diversifying the business plan structure to avoid excessive exposure to a particular line of business or sector within the Group; and diversifying the financial risk structure to avoid excessive exposure to a particular type of financial risk.

The market risk of equity instruments predominantly results from shares measured at fair value through other comprehensive income and through profit or loss. Entities in which the Group holds shares operate across various industries.

The objective of market risk management is to control and manage exposures to market risk within acceptable parameters, optimizing profitability.

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

The Group is exposed to the following market risk categories:

##### *(i) Equity Price Risk*

Price risk refers to the risk of incurring losses both from on-balance sheet and off-balance sheet positions due to price movements of assets.

The Group is exposed to the risk that the fair value of its financial instruments may fluctuate as a result of market price changes, whether caused by issuer-specific factors or by factors affecting all market-traded instruments.

The Board of Directors monitors the implementation of market risk management, and internal procedures stipulate that, when price risks do not align with the Group's investment policy and principles, the portfolio should be rebalanced.

A positive 10% change in the price of financial assets at fair value through profit and loss (subsidiary shares, associated entities, corporate bonds, and fund units) would lead to an increase in post-tax profit of RON 137,191,165 (as of December 31, 2023: RON 179,853,492), with a corresponding negative 10% change having an equal and opposite net impact.

A positive 10% change in the prices of financial assets measured at fair value through other comprehensive income, including investments in shares and corporate bonds, would result in an increase in equity, net of profit tax, of RON 57,171,894 (as of December 31, 2023: RON 157,977,004), with a corresponding negative 10% change having an equal and opposite net impact.

As seen in the table below, as of December 31, 2024, the Group predominantly held shares in companies operating in the financial-banking and insurance sectors, representing 51.2% of the total portfolio, an increase compared to the percentage recorded on December 31, 2023.

In RON	December 31, 2024	%	December 31, 2023	%
Financial intermediation and insurance	1,859,179,679	51.2%	1,464,763,687	44.9%
Financial services applicable to the real estate sector	738,179,097	20.3%	435,363,472	13.4%
Manufacturing industry	531,428,464	14.6%	890,194,675	27.3%
Extractive industry	251,752,575	6.9%	203,994,153	6.3%
Hotels and restaurants	98,666,643	2.7%	178,795,162	5.5%
Real estate rental	76,141,755	2.1%	8,081,063	0.2%
Transport and storage	42,431,866	1.2%	46,044,950	1.4%
Production and supply of energy, gas, water	27,450,000	0.8%	28,800,000	0.9%
Construction	4,463,516	0.1%	4,377,211	0.1%
Wholesale and retail trade, repair of motor vehicles	206,465	0.0%	230,430	0.0%
Agriculture, forestry, and fishing	-	0.0%	39,615	0.0%
<b>TOTAL</b>	<b>3,629,900,060</b>	<b>100%</b>	<b>3,260,684,418</b>	<b>100%</b>

As of December 31, 2024, the Group holds investment units valued at RON 317,095,914 (December 31, 2023: RON 395,546,142) in the following investment funds: ACTIVE PLUS (Private Capital Alternative Investment Fund), OPTIMINVEST (Private Capital Alternative Investment Fund), STAR VALUE (Open-Ended Alternative Investment Fund), CERTINVEST ACTIUNI (Open-Ended Alternative Investment Fund), ROMANIA STRATEGY FUND (Closed-End Alternative Investment Fund), and FDI PLUS Invest (Open-End Investment Fund). The Group is exposed to price risk through its investments (listed shares, bonds, bank deposits) with varying levels of risk in these Investment Funds.

#### *(ii) Interest Rate Risk*

##### **IBOR Reform**

Interest rate risk refers to the risk that the Group's revenues or expenses, or the value of its assets or liabilities, may fluctuate due to changes in market interest rates.

Regarding interest-bearing financial instruments: interest rate risk consists of the risk of fluctuation in the value of a specific financial instrument due to changes in interest rates and the risk of mismatches between the maturities of interest-bearing assets and liabilities. However, interest rate risk can also affect the value of fixed-interest assets (e.g., bonds), as an increase in the market interest rate will reduce the value of future cash flows generated by those assets and may lower their price if it leads to an increase in investors' preference for placing funds in bank deposits or other instruments with higher interest rates. Conversely, a decrease in market interest rates may lead to an increase in the price of shares and bonds and result in an increase in the fair value of future cash flows.

Regarding fixed-interest assets or trading assets, the Group is exposed to the risk that the fair value of the future cash flows related to financial instruments may fluctuate as a result of changes in market interest rates.

Thus, the Group will be subject to limited exposure to fair value risk or future cash flow risk due to fluctuations in the prevailing market interest rates.

The Group does not use derivative financial instruments to hedge against interest rate fluctuations.

The following table illustrates the annual interest rates achieved by the Group for interest-bearing assets during 2024:

Financial assets	RON Interval		EUR Interval	
	Min	Max	Min	Max
Bank deposits	0.0%	6.75%	2.8%	3%
Financial assets at fair value through profit and loss*	-	-	6.3%	7.4%
Affiliated loans	2%	3.5%	1%	1%

\* Within financial assets at fair value through profit and loss, two euro-denominated loans granted in 2024 and 2022 to subsidiaries are included.

The table below illustrates the annual interest rates earned by the Group for interest-bearing assets during 2023:

Financial assets	RON Interval		EUR Interval	
	Min	Max	Min	Max
Bank deposits	0.0%	6.75%	2.8%	3%
Financial assets at fair value through profit and loss*	4.3%	10.2%	3.10%	5.11%
Affiliated loans	2%	3,5%	1%	1%

\* Within financial assets at fair value through profit and loss, the bonds issued in RON by a subsidiary and the euro loan granted in 2022 to a subsidiary are included.

The table below contains a summary of the Group's exposure to interest rate risks. The table includes the Group's assets and liabilities at book values, classified according to the most recent date between the interest rate modification date and the maturity date.

In RON	2024	2023
Cash and cash equivalents*	613,328,000	206,578,062
Bank deposits	20,937,614	19,527,751
Financial assets at fair value through profit and loss - corporate bonds	-	37,612,296
Financial assets at fair value through profit and loss - loan granted	74,915,750	50,050,280
<b>TOTAL</b>	<b>710,424,965</b>	<b>313,768,389</b>

\* Cash equivalents include short-term investments in bank deposits (with a maturity of less than 3 months).

The impact on the Group's net profit (from interest income/expenses) of a  $\pm 1.00\%$  change in the interest rate related to financial assets and liabilities with variable interest, expressed in other currencies, combined with a  $\pm 1.00\%$  change in the interest rate related to financial assets and liabilities with variable interest, expressed in RON, is of RON 362,317 (December 31, 2023: RON 160,022).

For bonds recognized at fair value (level 3), a  $\pm 5\%$  change in their market price results in a net impact of 0 RON (December 31, 2023:  $\pm 1,410,461$  RON) in the profit and loss account.

### (iii) Currency Risk

Currency risk refers to the risk of incurring losses or failing to realize estimated profits due to unfavourable exchange rate fluctuations. The Group invests in financial instruments and engages in transactions denominated in currencies other than its functional currency and is therefore exposed to the risk that the exchange rate between the national currency and another currency may adversely affect the fair value or future cash flows of those portions of financial assets and liabilities denominated in other currencies.

The Group has conducted transactions during the reporting periods in both Romanian Leu (RON) and foreign currencies. The Romanian currency has fluctuated in relation to foreign currencies, such as the EURO and USD.

The financial instruments used allow for the preservation of the value of monetary assets held in RON through placements and interest income, depending on the maturity term.

The Group has not engaged in any foreign exchange derivative transactions during the presented financial years.

The financial assets and liabilities of the Group in RON and foreign currencies as of December 31, 2024, and December 31, 2023, are as follows:

*Financial assets exposed to currency risk (EUR/USD/GBP in RON):*

<b>in RON</b>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	410,620	204,466,193
Bank deposits	4,215,010	-
Financial assets at fair value through profit and loss	81,029,956	75,082,478
<b>TOTAL</b>	<b>85,655,586</b>	<b>279,548,671</b>
Loans	-	-
Debt related to leasing contracts	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>
<b>Net Financial Assets</b>	<b>85,655,586</b>	<b>279,548,671</b>

## Credit Risk

Credit risk is the risk that a counterparty to a financial instrument fails to meet a financial obligation or commitment entered into with the Group, resulting in a loss for the Group. The Group is exposed to credit risk as a result of investments in bonds issued by commercial companies or the Romanian state, current accounts, bank deposits, and other receivables.

The Group's management closely and continuously monitors credit risk exposure to prevent losses due to credit concentration in a specific sector or industry.

As of December 31, 2024, and December 31, 2023, the Group does not hold any collateral as security or other credit rating enhancements.

As of December 31, 2024, and December 31, 2023, the Group had no overdue financial assets, except for certain balances of receivables and various debtors, which were considered impaired.

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

<b>December 31, 2024</b>	<b>Current bank accounts</b>	<b>Bank accounts</b>	<b>Loan granted</b>	<b>Corporate bonds (FVTPL)</b>	<b>Other financial assets</b>	<b>Total</b>
Rating AAA to A-						
AAA+						
BBB+	772,285	56,560,000				57,332,285
BBB	19,336					19,336
BBB-	791,265	253,282,000				254,073,265
BB+						
BB	304,183,639	14,655,614				318,839,253
BB-	9,645,823					9,645,823
Baa1	193,370					193,370
NR		5,600,000	80,733,990		54,104,542	140,438,532
<b>TOTAL</b>	<b>315,605,717</b>	<b>330,097,614</b>	<b>80,733,990</b>		<b>54,104,542</b>	<b>780,541,853</b>

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

### Liquidity risk

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

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

The structure of assets and liabilities was analysed based on the remaining period from the balance sheet date to the contractual maturity date as of December 31, 2024, and December 31, 2023, and is presented in the table below:

<i>in RON</i>	Accounting value	Under 3 months	Between 3 and 12 months	Over 1 year	Without pre-established maturity
<b>December 31, 2024</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	628.813.111	628.813.111	-	-	-
Bank deposits	21.079.992	-	21.079.992	-	-
Other financial assets at amortized cost	1.257.518	-	-	1.257.518	-
Financial assets FVTPL	1.753.626.278	-	-	80.733.990	1.672.892.288
Financial assets FVTOCI	2.274.160.300	-	-	-	2.274.160.300
Other financial assets	54.104.542	15.948.582	521.683	15.426.899	22.207.379
<b>Total Financial Assets</b>	<b>4.733.041.741</b>	<b>644.761.693</b>	<b>21.601.675</b>	<b>97.418.407</b>	<b>3.969.259.967</b>
<b>Financial Liabilities</b>					
Payable dividends	9.816.738	-	-	-	9.816.738
Other financial liabilities	5.424.817	5.424.817	-	-	-
<b>Total Financial Liabilities</b>	<b>15.241.556</b>	<b>5.424.818</b>	<b>-</b>	<b>-</b>	<b>9.816.739</b>
<b>Liquidity Excess</b>	<b>4.717.800.185</b>	<b>639.336.875</b>	<b>21.601.675</b>	<b>97.418.407</b>	<b>3.959.443.229</b>
<b>December 31, 2023</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	417,878,500	417,878,500	-	-	-
Bank deposits	19,674,562	19,674,562	-	-	-
Financial assets FVTPL	1,920,410,142	573,630	52,034,667	37,612,296	1,830,189,549
Financial assets FVTOCI	1,826,159,366	-	-	-	1,826,159,366
Other financial assets	39,345,642	39,345,642	-	-	-
<b>Total Financial Assets</b>	<b>4,223,468,212</b>	<b>477,472,334</b>	<b>52,034,667</b>	<b>37,612,296</b>	<b>3,656,348,915</b>
<b>Financial Liabilities</b>					
Payable dividends	9,886,856	9,886,856	-	-	-

<i>in RON</i>	Accounting value	Under 3 months	Between 3 and 12 months	Over 1 year	Without pre- established maturity
Other financial liabilities	17,386,795	17,386,795	-	-	-
<b>Total Financial Liabilities</b>	<b>27,273,651</b>	<b>27,273,651</b>	-	-	-
<b>Liquidity Excess</b>	<b>4,196,194,561</b>	<b>450,198,683</b>	<b>52,034,667</b>	<b>37,612,296</b>	<b>3,656,348,915</b>

The share of immediately available liquidity (cash and cash equivalents) has increased compared to the previous year, both in total and across each relevant maturity/due date category, as shown in the table above. Liquidity risk remains primarily influenced by the liquidity of the local capital market, specifically by the ratio between the volume of the Group's main listed holdings and their average daily liquidity.

#### Other risks

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

- taxation risk;
- business environment risk;
- operational risk.

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

The Group uses a variety of policies and procedures to manage and assess the types of risk to which it is exposed. These policies and procedures are presented in the subchapter dedicated to each type of risk in the financial statements.

#### Taxation risks

Since January 1, 2007, following Romania's accession to the European Union, the Group has been required to comply with EU regulations and has accordingly prepared for the implementation of changes brought by European legislation. The Group has implemented these changes; however, the way they have been applied remains subject to tax audit for a period of five years.

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

Regarding corporate income tax for the 2015 financial year, there is a risk that the tax authorities may interpret the accounting treatments arising from the transition to IFRS as the accounting basis differently.

The Group has opted to write off lapsed dividends (that were distributed but unclaimed for three years by shareholders) and record them in the *Other Reserves* – distinct analytical account. According to the provisions of the Civil Code, the statute of limitations applies to the right to enforce collection but not to ownership of the amounts. Given that transferring these already taxed amounts (both in terms of corporate income tax and dividend tax) back into equity is considered a transaction with shareholders rather than a taxable event, the Group has not recognized any deferred tax liability for these amounts. Under these circumstances, there is a risk that tax authorities may interpret these transactions differently.

Additionally, the Romanian Government has several agencies authorized to audit (inspect) companies operating in Romania. These inspections are similar to tax audits in other countries and can cover not only tax matters but also other legal and regulatory issues of interest to these agencies. It is possible that the Group will be subject to tax audits as new tax regulations are issued.

#### Business environment risks

The Group's management cannot anticipate all the effects of international economic developments impacting Romania's financial sector. However, it believes that in 2024, it has taken the necessary measures to ensure the Group's sustainability and growth under the existing financial market conditions by closely monitoring cash flows and adjusting investment policies accordingly.

The Group mitigates risks and reduces their potential effects through an investment policy that complies with the prudential rules imposed by applicable legal provisions and regulations.

The Group has adopted risk management policies aimed at actively managing risks by applying specific procedures for identifying, evaluating, measuring, and controlling them. These measures provide



reasonable assurance regarding the achievement of the Group's objectives while maintaining a constant balance between risk and expected returns.

The risk management process focuses on: (i) identifying and assessing significant risks that could substantially impact investment objectives and developing activities to counteract identified risks; (ii) adapting risk management policies to financial market developments, monitoring performance, and improving risk management procedures; (iii) reviewing investment decisions in line with capital market and monetary market trends; (iv) ensuring compliance with applicable legislation.

The aggressive measures taken by major central banks (such as the Federal Reserve and the European Central Bank) to curb inflation, coupled with uncertainties regarding the short- and medium-term impact of these measures on macroeconomic trends, have led to high volatility in key capital markets. The lack of visibility regarding central banks' responses to these externalities, the necessary extent of successive interest rate hikes, and their impact on global demand remain the primary challenges in asset portfolio management in 2024.

## Operational Risk

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

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

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

## Capital Adequacy

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

The Group's equity includes its share capital, various types of reserves and retained earnings. The equity amounted to RON 4,521,159,380 as of December 31, 2023 (4,050,348,420 as of December 31, 2023).

## 5. THE MARKET OF THE SECURITIES ISSUED BY THE GROUP

### CHARACTERISTICS OF SHARES ISSUED BY LION CAPITAL

Total number of shares issued (December 31, 2024)	<b>507,510,056</b>
Outstanding shares (December 31, 2024)	<b>505,020,056</b>
Nominal Value	<b>RON 0.1000 / share</b>
Type of Shares	<b>common, ordinary, registered, dematerialized, indivisible</b>
Trading Market	<b>Regulated spot market of Bucharest Stock Exchange (BVB or BSE), Premium category, listed since November 1, 1999</b>
Trading Venue (MIC)	<b>XBSE</b>
Market Symbol on Bucharest Stock Exchange	<b>LION</b> (before May 15, 2023, symbol SIF1)
ISIN Code	<b>ROSIFAACNOR2</b>
International Identifier	<b>FIGI ID: BBG000BMN2P1</b>
Indices including LION shares	<b>BVB Indices: BET-FI • BET-XT • BET-XT-TR • BET-BK • BET-XT-TRN</b>

Shares issued by the Company grant all shareholders equal rights.

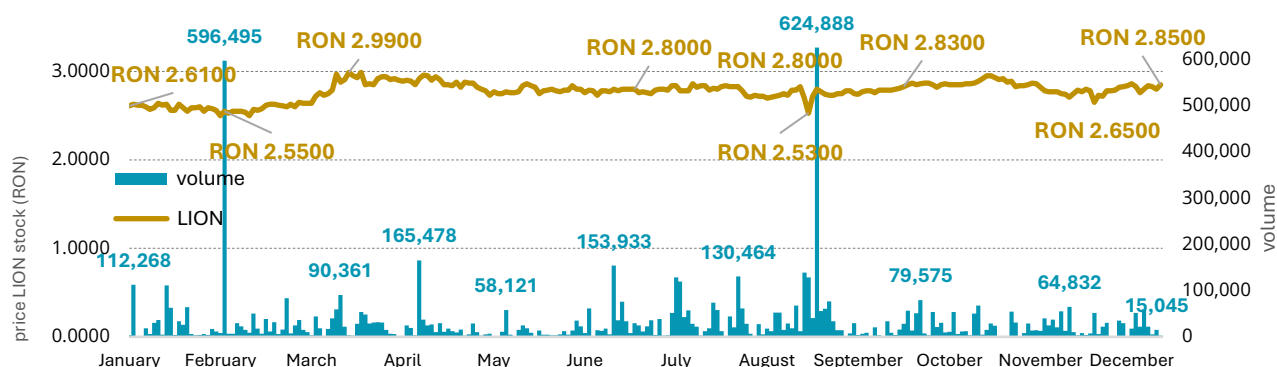
Since its establishment, the Company has not issued bonds or other debt instruments.

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

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

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

As of December 31, 2024, Lion Capital had a total of 5,735,101 shareholders, according to data reported by Depozitarul Central S.A. Bucharest, the entity responsible for maintaining the shareholder registry. The 990,000 treasury shares held at the end of 2023 were transferred on March 14, 2024, to the beneficiaries of the Stock Option Plan. Further details regarding the completion of the Stock Option Plan were disclosed in the current report issued on March 15, 2024. Following acquisitions carried out under the public tender offer conducted between September 25 and October 8, 2024, the company held, as of December 31, 2024, a total of 2,490,000 treasury shares, representing 0.4906% of the share capital. Additional details can be found in *Chapter 5 – Other Significant Information* of this report.

**LION PRICE AND VOLUME IN 2024**

*highlighted values were recorded at the closing of trading day*

**Bucharest Stock Exchange (BVB) indices including LION stock:**

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

**BET-FI** (BUCHAREST EXCHANGE TRADING – INVESTMENT FUNDS) is the first sectoral index of the BVB and reflects the overall trend of prices of financial investment funds (formerly SIFs and Fondul Proprietatea) traded on the regulated market of the BVB. The variation of the BET-FI index in 2024: +4.63%. Weight of LION in BET-FI: 20.91% (December 2024).

**BET-BK** (BUCHAREST EXCHANGE TRADING BENCHMARK INDEX) is a price index weighted by the free-float capitalization of the most liquid companies listed on the regulated market of the BVB, which can be used as a benchmark by fund managers, as well as other institutional investors, with the calculation methodology reflecting legal requirements and investment limits of the funds. The variation of the BET-BK index in 2024: +9.53%. Weight of LION in BET-BK: 1.73% (December 2024).

**BET-XT** (BUCHAREST EXCHANGE TRADING EXTENDED INDEX) is a blue-chip index and reflects the evolution of prices of the most liquid 25 companies traded on the regulated market segment, including SIFs, with the maximum weight of a symbol in the index being 15%. The variation of the BET-XT index in 2024: +10.02%. Weight of LION in BET-XT: 2.11% (December 2024).

**BET-XT-TR** (BUCHAREST EXCHANGE TRADING EXTENDED TOTAL RETURN) is the total return version of the BET-XT index, reflecting both the evolution of prices of the component companies and the dividends offered by them. The variation of the BET-XT-TR index in 2024: +16.81%. Weight of LION in BET-XT-TR: 2.11% (December 2024).

**BET-XT-TRN** (BUCHAREST EXCHANGE TRADING EXTENDED NET TOTAL RETURN) is the net total return version of the BET-XT index. The BET-XT-TRN index reflects both the evolution of prices of the component companies and the reinvestment of net dividends offered by them. The variation of the BET-XT-TRN index in 2024: +16.22%. Weight of LION in BET-XT-TRN: 2.11% (December 2024).

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

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

## 6. CORPORATE GOVERNANCE

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

Lion Capital has adhered to the Corporate Governance Code of the Bucharest Stock Exchange (“the Code”), the degree of compliance with the principles of the Code being presented in the statement accompanying the 2024 Annual Report, a document that will be published on the website of Company, [www.lion-capital.ro](http://www.lion-capital.ro).

By Regulation no. 2/2016, with subsequent amendments and completions, the Financial Supervision Authority (ASF) regulated the unitary normative framework for the application of the principles of corporate governance to the entities authorized, regulated, and supervised by ASF. Lion Capital’s Statement on the application of the principles of corporate governance in 2024, accompanies the 2024 Annual Report published by Lion Capital.

Detailed information on the corporate governance of Lion Capital in 2024 and the corporate governance statements are presented in the 2023 Annual Report, available on the Company’s website, at [www.lion-capital.ro](http://www.lion-capital.ro).

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

### Lion Capital’s Leadership

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

### The General Meeting of Shareholders (GMS)

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

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

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

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

During the year 2024, the Board of Directors of Lion Capital convened OGMs for April 29 (30), 2024, and October 31 (November 1), 2024, and EGMs for April 29 (30), 2024, and October 31 (November 1), 2024.

Information on the general meetings of shareholders and the adopted resolutions are presented on Company’s website, [www.lion-capital.ro](http://www.lion-capital.ro), in the section *Investor Relations • General Shareholders’ Meetings*

## The Board of Directors

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

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

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

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

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

As of December 31, 2024, the composition of the Board of Directors was the following: Mr Bogdan Alexandru DRĂGOI – Chairman, Mr Sorin MARICA - Member, Mr Marcel Heinz PFISTER – member and Mr Ionel Marian CIUCIOI - member.

## Advisory Committees within the Board of Directors

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

The Audit Committee consists of at least three non-executive members of the Board of Directors. The Chairman of the committee is an independent non-executive member. At least one member of the audit committee shall have competence in accounting or auditing.

During 2024, the Audit Committee had the following composition: Mr Marcel PFISTER - Chairman of the Committee, Mr Sorin MARICA – member, and Mr Ionel Marian CIUCIOI - member.

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

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

Throughout 2024, the composition of the Committee was the following: Mr Sorin MARICA – Chairman of the Audit Committee, Mr Marcel PFISTER – member and Mr Ionel Marian CIUCIOI – member.

## The Executive Management

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

As per the provisions of Law no. 31/1990 on trading companies, the Board of Directors has delegated part of its powers, within the limits established by law, the Articles of Association, and the decisions of the Board of Directors, less the powers reserved by law and/or the articles of association, to the general meeting of shareholders and the Board of Directors.

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

As of December 31, 2024, the composition of the executive team of Lion Capital was the following: Bogdan-Alexandru Drăgoi – Chairman and CEO, Florin-Daniel Gavrilă - Director, and Laurențiu Riviș - Director.

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

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

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

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

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

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

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

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

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

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

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

The internal audit activity is an independent and objective activity that gives the company an assurance regarding the degree of control over the operations and is carried out according to the procedures prepared

for the purpose of carrying out the activity. A detailed program shall be drawn up for each internal audit engagement, covering the scope, objectives, resources allocated and the period to be performed.

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

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

## Upholding Shareholders' Rights

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

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

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

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

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

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

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

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

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

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

**Financial reporting** • Lion Capital's financial statements for the year 2024 have been prepared in accordance with International Financial Reporting Standards and ASF Norm no. 39/2015, applied together with the Accounting Law no. 82/1991 (republished and amended). The financial auditor is Deloitte Audit S.R.L.

## Conflicts of Interest and transactions involving related parties

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

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

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

The internal policies, rules and procedures that must be followed within Lion Capital aim to ensure the degree of independence necessary for the prevention and management of conflicts of interest.

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

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

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

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

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



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

**Market Abuse** • In 2024, Lion Capital paid special attention to the set of European regulations on Market Abuse. The provisions on the establishment of a closed period of 30 days before the publication of a financial report, during which the transactions with financial instruments of the issuer for persons with access to inside information are prohibited, were observed.

## Social Responsibility, Social Matters, Diversity

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

By adopting a socially responsible approach, Lion Capital embraces responsibility for the community in which it operates. This involves responsible management of environmental issues, respect for fundamental human rights, and the promotion of diversity and equity among its employees and partners. Lion Capital is aware that adopting a socially responsible attitude can have a positive impact on its financial performance, its employees, contributing to improving the Fund's reputation in the community and strengthening relations with investors and other stakeholders. By engaging in promoting professionalism, excellence, and innovation in all aspects of its business, Lion Capital not only enhances financial performance but also contributes to sustainable economic development of society, understanding that success cannot be measured solely by financial performance but also by its contribution to society and the environment. Thus, adopting a proactive and responsible attitude towards social responsibility is essential for creating a more responsible and healthier society overall.

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

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

### Assessment of matters concerning the employees

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

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

Company Name	Average number of employees			
	2021	2022	2023	2024
Lion Capital	33	32	32	30
SAI Muntenia Invest	31	33	28	33
Administare Imobiliare	6	5	6	9
<b>TOTAL</b>	<b>70</b>	<b>70</b>	<b>66</b>	<b>72</b>

Throughout 2024 there were no conflicting matters in the relations between management and employees, neither in Lion Capital nor in the companies in the consolidation.

During 2024, no collective layoffs occurred, neither in the case of Lion Capital, nor in the case of the companies in the scope of consolidation.

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

## **Assessment of matters concerning the environment**

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

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

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

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

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

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

## 7. OTHER SIGNIFICANT INFORMATION

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### Events After the Reporting Period

No subsequent events have been identified that would materially impact the consolidated results.

This report is accompanied by the following:

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**ANNEX 1**

Consolidated financial statements as of December 31, 2024, prepared pursuant to Norm no. 39/2015 for the approval of the Accounting Regulations compliant to the International Financial Reporting Standards, applicable to entities authorized, regulated, and supervised by the ASF – Financial Instruments and Investments Sector – **audited**

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The version prepared in Romanian of the consolidated report of the Board of Directors (which is the official and binding version) was approved by the Board of Directors of Lion Capital in the meeting held on March 24, 2025.

**Bogdan-Alexandru DRĂGOI**

Chairman and CEO

## **LION CAPITAL S.A.**

### **CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders,  
Lion Capital S.A.

### *Report on the Audit of the Consolidated Financial Statements*

#### Opinion

1. We have audited the consolidated financial statements of Lion Capital S.A. and its subsidiaries ("the Group"), with registered office in Calea Victoriei, nr. 35 A, județul Arad, Romania, identified by unique tax registration code 2761040, which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.
2. The consolidated financial statements as at December 31, 2024 are identified as follows:
  - Total equity RON 4,521,159,380
  - Net profit for the financial year RON 152,136,714
3. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applying Financial Supervisory Authority ("FSA") Norm no. 39/28 December 2015, regarding the approval of the accounting regulations in accordance with IFRS, applicable to the entities authorized, regulated and supervised by the FSA from the Financial Investments and Instruments Sector, as well as Investor Compensation Fund, with subsequent amendments (referred to herein as "FSA Norm no. 39/2015").

#### Basis for Opinion

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

#### Key Audit Matters

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

Key Audit Matter	How our audit addressed the key matter
<p><b>Valuation of equity investments</b></p> <p>We refer to note 17 and note 19 in the consolidated financial statements, where investments in financial assets at fair value are presented, including in equity securities representing shares held by the Group. As of December 31, 2024, investments in equity securities represent 75% of the total assets held by the Group.</p> <p>Financial investments in equity securities classified as Level 3 in the fair value hierarchy amount to RON 937 million and consist of shares held by the Group in unlisted Romanian companies or listed companies with no active market.</p> <p>The determination of the fair value of investments in equity securities classified as Level 3 in the fair value hierarchy was made based on valuation models using financial information of the evaluated companies available prior to December 31, 2024, which involves significant judgment and a high degree of estimation.</p> <p>These valuations were performed by independent appraisers appointed by the Group's management. The Group's management conducted an analysis covering the period from the date the valuations of the respective investments were made until December 31, 2024, to identify any significant changes in the fair value of the investments in equity securities as of December 31, 2024.</p> <p>This was a key area of focus in our audit due to the significant values of these investments, the complexity involved in their valuation, the significance of the professional judgments and estimates used in the valuation, and the reflection of changes in fair value in the consolidated financial statements.</p>	<p>To address the key audit matter, our audit focused on evaluating the relevant controls related to the annual valuation process of investments in equity securities measured at fair value. Our analysis of the development and implementation of relevant controls provided a basis for us to establish the audit procedures in line with the nature, planning, and extent of the planned audit.</p> <p>For significant listed investments in equity securities, we evaluated the Group's analyses and policies regarding trading frequency to identify securities that do not have an active market. For significant listed investments in equity securities classified as Level 1 in the fair value hierarchy, we assessed the accuracy of the closing price on the capital market of the shares as of December 31, 2024, or the last available trading day at the end of the reporting period.</p> <p>For a sample of investments in equity securities classified at Level 3 of the fair value hierarchy, which include significant valuation assumptions, we engaged our own valuation specialists. They reviewed the valuation methodology, the assumptions used, the significant unobservable input data used by the appraisers, as well as their professional competence and independence from the Group.</p> <p>We assessed the Group's management analyses for the period subsequent to the valuation report dates up to December 31, 2024, to identify any significant events that might have a substantial impact on the fair value of the investments in equity securities as of December 31, 2024.</p> <p>We also evaluated whether significant changes in fair values were accurately reflected in the consolidated financial statements.</p> <p>In analyzing the consolidated financial statements, we considered whether they appropriately reflect the significant information regarding investments in equity securities in accordance with the Group's accounting policies and the requirements of IFRS 13 Fair Value Measurement ("IFRS 13"). In this regard, we assessed the accuracy of the presentation of significant information related to the fair value hierarchy, information on significant unobservable and observable inputs, in accordance with the disclosure requirements outlined in IFRS 13.</p>

## Other Information

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

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



In connection with our audit of the consolidated financial statements for the year ended December 31, 2024, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## **Other reporting responsibilities with respect to other information – Administrators’ Consolidated Report**

With respect to the Administrators’ Consolidated Report, we read it and report if this has been prepared, in all material respects, in accordance with the provisions of FSA Norm no. 39/2015 articles no. 29 and 30.

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

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

Moreover, based on our knowledge and understanding concerning the Group and its environment gained during the audit on the financial statements prepared at December 31, 2024, we are required to report if we have identified a material misstatement of this Administrators’ Consolidated Report. We have nothing to report in this regard.

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

7. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and FSA Norm no. 39/2015 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
8. In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those charged with governance are responsible for overseeing the Group’s financial reporting process.

## **Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## ***Report on Other Legal and Regulatory Requirements***

15. We were appointed by the General Meeting of Shareholders on 26 October 2023 to audit the consolidated financial statements of Lion Capital S.A. for the financial years ended December 31, 2024 and December 31, 2025. The uninterrupted total duration of our commitment is six years, covering the financial years ended December 31, 2019 until December 31, 2024.

We confirm that:

- Our audit opinion is consistent with the additional report submitted to the Audit Committee of Lion Capital S.A. that we issued the same date we issued this report. Also, in conducting our audit, we have retained our independence from the audited entity.
- No non-audit services referred to in Article 5 (1) of EU Regulation no. 537/2014 were provided.

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

## Report on the Information Regarding Income Tax

16. For the financial year preceding the financial year for which the financial statements were prepared, the Group was not required under FSA Norm no. 39/2015, articles 39<sup>2</sup>-39<sup>7</sup> to publish a report on income tax information.

## Report on compliance with the Law 162/2017 on the statutory audit of annual financial statements and annual consolidated financial statements and on amending other pronouncements ("Law 162/2017"), and Commission Delegated Regulation (EU) 2018/815 on the European Single Electronic Format Regulatory Technical Standard ("ESEF")

17. We have undertaken a reasonable assurance engagement on the compliance with Law 162/2017, and Commission Delegated Regulation (EU) 2019/815 applicable to the consolidated financial statements included in the annual financial report of Lion Capital S.A. and its subsidiaries ("the Group") as presented in the digital files which contain the unique code ("LEI") 254900GAQ2XT8DPA7274 ("**Digital Files**").

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

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

- the design, implementation and maintenance of internal control relevant to the application of the ESEF;
- the selection and application of appropriate iXBRL mark-ups;
- ensuring consistency between the Digital Files and the consolidated financial statements to be submitted in accordance with FSA Norm no. 39/2015.

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

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

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

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

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

- obtaining an understanding of the Group's process for preparation of the digital files in accordance with ESEF, including relevant internal controls.
- reconciling the digital files including the marked-up data with the audited consolidated financial statements of the Group to be submitted in accordance with FSA Norm no. 39/2015.
- evaluating if all financial statements contained in the consolidated annual report have been prepared in a valid XHTML format.
- evaluating if the iXBRL mark-ups, including the voluntary mark-ups, comply with the requirements of ESEF.

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

In our opinion, the consolidated financial statements for the year ended December 31, 2024 included in the annual financial report in the Digital Files comply in all materials respects with the requirements of ESEF.

In this section, we do not express an audit opinion, review conclusion or any other assurance conclusion on the consolidated financial statements. Our audit opinion relating to the consolidated financial statements of the Group for the year ended December 31, 2024 is set out in the *“Report on the audit of the consolidated financial statements”* section above.

Irina Dobre, Audit Partner

*For signature, please refer to the original  
Romanian version.*

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

On behalf of:

**DELOITTE AUDIT SRL**

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

The Mark Building, 84-98 and 100-102 Calea Griviței, 9<sup>th</sup> Floor, District 1  
Bucharest, Romania  
March 24, 2025

**The consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 December 2024**  
**(All amounts shown are IN LEI)**

<i>In ROL</i>	<b>Note</b>	<b>31-Dec-24</b>	<b>31-Dec-23</b>
<b>Revenue</b>			
Income from dividends	7	161.438.194	121.915.413
Interest income (amortized cost assets, fair value assets through other comprehensive income)	8	31.799.932	7.941.984
Interest income (assets at fair value through profit or loss)	8	5.507.363	9.700.808
Other operating income	9	46.316.974	53.293.677
Other financial income		445.500	-
<b>Investment gain/loss</b>			
Gain/loss on investments in real estate	10	596.250	16.533.768
Gain/(loss) from exchange rate differences		(78.721)	1.347.864
Profit/loss on financial assets at fair value through the profit and loss account	11	(20.600.123)	294.280.842
<b>Expenses</b>			
Retakeovers/provisions for risks and charges		(2.138.598)	(891.602)
Interest income on liabilities		(40.296)	(115.981)
Interest expenses		-	(210.369)
Commission expenses	12	(5.768.681)	(5.068.294)
Other operational expenditure	13	(46.743.495)	(39.056.909)
<b>Profit before tax</b>		<b>170.734.299</b>	<b>459.671.201</b>
Income tax	14	(18.597.585)	(26.771.572)
<b>Net profit of the financial year</b>		<b>152.136.714</b>	<b>432.899.629</b>
<b>Profit is assigned to:</b>			
Lion parent capital		152.118.901	432.815.498
Non-controlling interests		17.813	84.131
<b>Total profit for the financial year</b>		<b>152.136.714</b>	<b>432.899.629</b>
<b>Other comprehensive income</b>			
<b>Amounts that are or may be transferred to retained earnings</b>			
Fair value changes Financial assets at fair value through other comprehensive income	24	369.704.064	502.963.075
Changes in the revaluation reserve, tangible assets		1.346.726	-
Retained earnings from the correction of accounting errors		(32.848)	-
The effect of the related corporate tax		(47.836.774)	(70.239.838)
<b>Other comprehensive income</b>		<b>323.181.168</b>	<b>432.723.237</b>
<b>Total overall result for the period</b>		<b>475.317.882</b>	<b>865.622.866</b>

The consolidated financial statements were approved by the Management Board on 24 March 2025 and signed on its behalf by:

Bogdan-Alexandru Dragoi  
President, General Manager

Bogdan Dusu  
Financial Director

**The consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 December 2024**  
**(All amounts shown are IN LEI)**

<i>In ROL</i>	<b>Note</b>	<b>31-Dec-24</b>	<b>31-Dec-23</b>
<b>Assets</b>			
Cash and cash equivalents	15	628.813.111	417.878.500
Bank deposits	16	21.079.992	19.674.562
Financial assets measured at amortized cost		1.257.518	-
Other financial assets	20	54.104.542	37.869.832
Other assets		530.109	442.330
Assets held for sale	21	64.940.084	64.940.084
Financial assets measured at fair value through the profit and loss account	17	1.753.626.278	1.920.410.142
Financial assets measured at fair value through other comprehensive income (shares)	19	2.274.160.300	1.826.159.366
Investments in real estate	10	31.887.961	33.745.945
Tangible assets		7.562.103	6.216.225
<b>Total assets</b>		<b>4.837.961.998</b>	<b>4.327.336.986</b>
<b>Liabilities</b>			
Dividends to be paid		9.816.738	9.886.856
Other financial liabilities	22	5.424.817	17.386.795
Other liabilities and income recorded in advance		67.069.538	64.954.572
Provisions for risks and charges		5.871.197	3.732.599
Deferred tax liabilities	23	228.620.327	181.027.745
<b>Total liabilities</b>		<b>316.802.618</b>	<b>276.988.567</b>
<b>Equity</b>			
Share capital	24	50.751.006	50.751.006
Own shares		(7.221.000)	(2.494.800)
Losses on the repurchase of own shares		(151.959)	(31.973)
Gains or (-) loss on financial assets and liabilities held for trading, net		2.399.100	2.159.850
Other reserves	24	2.116.822.167	1.699.567.035
Reserves from the revaluation of tangible assets		2.523.295	1.176.569
Legal reserves		10.451.417	11.106.413
Reserves from the revaluation of financial assets designated at fair value through other comprehensive income	19	1.324.061.145	1.002.509.286
Retained earnings	24	1.019.841.761	1.284.040.414
<b>Total</b>		<b>4.519.476.932</b>	<b>4.048.783.801</b>
Non-controlling interests		1.682.347	1.564.619
<b>Total equity</b>		<b>4.521.159.380</b>	<b>4.050.348.420</b>
<b>Total liabilities and equity</b>		<b>4.837.961.998</b>	<b>4.327.336.987</b>

The consolidated financial statements were approved by the Management Board on 24 March 2025 and signed on its behalf by:

Bogdan-Alexandru Dragoi  
President, General Manager

Dusu Bogdan  
Financial Director

**The consolidated statement of changes in equity for the financial year as at 31 December 2024**  
**(all amounts shown are in lei)**

<i>In ROL</i>	Share capital	Own shares	Losses on share redemption	Legal reserves	Restatement financial assets designated at fair value through other comprehensive income	Revaluation reserves tangible assets	Gains or (-) loss on financial assets and liabilities held for trading, net	Other reserves	Retained earnings	Total	Non-controlling interests	Total
<b>Balance as at 1 January 2024</b>	<b>50.751.006</b>	<b>(2.494.800)</b>	<b>(31.973)</b>	<b>11.106.413</b>	<b>1.002.509.286</b>	<b>1.176.569</b>	<b>2.159.850</b>	<b>1.699.567.035</b>	<b>1.284.040.414</b>	<b>4.048.783.801</b>	<b>1.564.619</b>	<b>4.050.348.420</b>
Profit/(loss) for the financial year	-	-	-	-	-	-	-	-	152.118.901	152.118.901	17.813	152.136.714
The revaluation reserve of financial assets transferred to the profit and loss account	-	-	-	-	-	-	-	-	-	-	-	-
The revaluation reserve of financial assets transferred to retained earnings	-	-	-	-	3.922.447	-	-	-	(3.922.447)	-	-	-
Retained earnings from the correction of accounting errors	-	-	-	-	-	-	-	-	(32.848)	(32.848)	-	(32.848)
The variation in the reserve	-	-	-	-	365.053.971	-	-	-	4.617.242	369.704.064	-	369.704.064
Revaluation of tangible assets	-	-	-	-	-	1.346.726	-	-	-	1.346.726	-	1.346.726
Related deferred income tax	-	-	-	-	(47.424.558)	-	-	-	(412.216)	(47.836.774)	-	(47.836.774)
<b>Total overall result for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>321.551.859</b>	<b>1.346.726</b>	<b>-</b>	<b>-</b>	<b>152.401.483</b>	<b>475.300.068</b>	<b>17.813</b>	<b>475.317.882</b>
Other reserves - own resources	-	-	-	-	-	-	-	417.255.132	(417.255.132)	-	-	-
Prescribed dividends	-	-	-	-	-	-	-	-	-	-	-	-
Change in the reserve for subsidiaries	-	-	-	(654.995)	-	-	-	-	654.995	-	100.015	100.015
Profit or loss from the financial year	-	2.494.800	-	-	-	-	239.250	-	-	2.734.050	-	2.734.050
Repurchase of own shares	-	(7.221.000)	(151.959)	-	-	-	-	-	-	(7.372.959)	-	(7.372.959)
Cancel your own shares	-	-	31.973	-	-	-	-	-	-	31.973	-	31.973
<b>Total transactions with shareholders recognized directly in equity</b>	<b>-</b>	<b>(4.726.200)</b>	<b>(119.986)</b>	<b>(654.995)</b>	<b>-</b>	<b>-</b>	<b>239.250</b>	<b>417.255.132</b>	<b>(416.600.136)</b>	<b>(4.606.936)</b>	<b>100.015</b>	<b>(4.506.919)</b>
<b>Balance as at 31 December 2024</b>	<b>50.751.006</b>	<b>(7.221.000)</b>	<b>(151.959)</b>	<b>10.451.417</b>	<b>1.324.061.145</b>	<b>2.523.295</b>	<b>2.399.100</b>	<b>2.116.822.167</b>	<b>1.019.841.761</b>	<b>4.519.476.932</b>	<b>1.682.347</b>	<b>4.521.159.380</b>

The consolidated financial statements were approved by the Management Board on 24 March 2025 and signed on its behalf by:

Bogdan-Alexandru Dragoi  
President, General Manager

Dusu Bogdan  
Financial Director

**The consolidated statement of changes in equity for the financial year as at 31 December 2024**  
**(all amounts shown are in lei)**

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

The consolidated financial statements were approved by the Management Board on 24 March 2025 and signed on its behalf by:

Bogdan-Alexandru Dragoi  
President, General Manager

Dusu Bogdan  
Financial Director



**Consolidated statement of cash flows for the financial year ended 31 December  
2024 (all amounts shown in lei)**

<i>In ROL</i>	<b>31-Dec-24</b>	<b>31-Dec-23</b>
<b>Cash flows from operating activities</b>		
Net profit of the period	<b>152.136.714</b>	<b>432.899.629</b>
<b>Adjustments for:</b>		
Depreciation of tangible and intangible assets	915.424	914.002
Gain on disposal of tangible assets	(90.876)	-
Gain from the valuation of real estate investments	(596.250)	(16.533.768)
(Other operating expenses	2.178.894	1.007.583
(Net gain)/net loss on financial assets at fair value through the profit and loss account (shares and units)	20.600.123	(294.280.842)
Income from dividends	(161.437.612)	(121.909.568)
Interest income	(37.303.294)	(17.642.792)
Interest expenses	(1)	210.368
Gains or (-) loss on financial assets and liabilities held for trading, net	78.721	(296.874)
Other foreign exchange adjustments and differences	3.179.550	2.315.317
Income tax	18.597.584	19.201.251
<b>Operating profit before the change in assets and liabilities</b>	<b>(1.741.023)</b>	<b>5.884.305</b>
<b>Changes in the assets and liabilities associated with the operating activity</b>		
Changes in other assets	12.024.429	(7.171.404)
Changes in other liabilities	3.696.116	(2.087.723)
Income tax paid	(16.189.601)	(27.992.317)
<b>Net cash generated from operating activities</b>	<b>(2.210.079)</b>	<b>(31.367.139)</b>
<b>Cash flows from investment activities</b>		
Payments for the acquisition of financial assets measured at fair value through other comprehensive income (actiun)	(83.373.322)	(23.748.220)
Proceeds from the sale of financial assets measured at fair value through other comprehensive income (shares)	426.359	183.810.181
(Investments)/deposits received over 3 months	(1.409.643)	11.002.685
Proceeds from the sale/redemption of assets at fair value through the profit and loss account (units, bonds)	230.699.399	168.740.454
Payments for the acquisition of fair value assets through the profit and loss account (units, shares, loans)	(111.024.212)	(37.359.100)
Proceeds/payments from the sale of assets valued at amortized cost (bonds)	(1.242.744)	-
Proceeds from sale of tangible assets and investments in real estate	2.090.358	464.357
Payments for the acquisition of tangible assets	(792.975)	(343.581)
Dividends received	152.685.601	116.229.963
Interest earned	32.526.219	13.421.536
<b>Net cash used in investment activities</b>	<b>220.585.040</b>	<b>432.218.275</b>
<b>Cash flows from financing activities</b>		
Proceeds/repayments of loans (including leasing)	(50.600)	(16.533.301)
Dividends paid to the shareholders of the company	(76.717)	(161.453)
Repurchase of own shares	(7.313.032)	(4.772.793)
<b>Net cash used in financing activities</b>	<b>(7.440.349)</b>	<b>(21.467.547)</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>210.934.610</b>	<b>379.383.589</b>
<b>Cash and cash equivalents at the beginning of the accounting year</b>	<b>417.878.500</b>	<b>38.538.814</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>628.813.111</b>	<b>417.878.500</b>

**Consolidated statement of cash flows for the financial year ended 31 December 2024 (all amounts shown in lei)**

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**Cash and cash equivalents shall comprise:**

	<b>31 december 2024</b>	<b>31 december 2023</b>
Cash in cash in cash	4.673	5.637
Current accounts with banks (including interest receivable)	11.462.531	10.218.777
Bank deposits with original maturity of less than 3 months (including interest receivable)	617.345.843	407.654.022
Other cash amounts and advances	64	64
<b>Cash and cash equivalents</b>	<b>628.813.111</b>	<b>417.878.500</b>

The consolidated financial statements were approved by the Management Board on 24 March 2025 and signed on its behalf by:

Bogdan-Alexandru Dragoi  
President, General Manager

Dusu Bogdan  
Financial Director

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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**Consolidated accounting policies**

**1 Reporting group**

Lion capital S.A. ('Lion capital S.A.' or 'the Group') was established on the basis of Law No 133/1996 by the reorganization and transformation of the private property Fund and is a public limited liability company operating on the basis of Law No 31/1990. Lion capital is constituted as a self-managed investment company authorized by the Financial Supervisory Authority as alternative Investment Fund Manager (AIFM) - authorization No 78/09.03.2018, classified under the provisions of Law No 243/2019 as a closed, diversified alternative Investment Fund for retail investors (FIAIR). The Financial Supervisory Authority has issued authorization No 130/01.07.2021 authorizing Lion capital S.A. as an alternative Investment Fund for retail investors (F.I.A.).

Lion capital S.A. has its registered office in Arad, Calea Victoriei, nr. 35 A, Arad county, code 310158, tel: 0257.304.438, Fax: 0257.250.165. The registration number from the Office of the Register of Commerce is: J02/1898/1992, and the unique Code of tax registration is: 2761040

The objects of the company are:

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

The company's shares are listed on the Bucharest stock Exchange with effect from 1 November 1999 and are traded on the regulated market in Premium category with the indication of lion.

The Lion capital of the company, starting with 28.11.2019, is BCR.

Lion capital de services de registry is the Central depository SA Bucharest.

The consolidated financial statements drawn up for the year 2024 comprise Lion capital, its subsidiaries and associations ('the group'). The subsidiaries and associations are listed in Note 3. Lion capital prepares consolidated financial statements as the ultimate parent for the group entities.

**Segment reporting** - the activity carried out by the group in the years 2024 and 2023 is found in a single segment of activity, i.e. financial.

In accordance with IFRS 10, as of the financial year 2018, Lion capital measures all of its subsidiaries at fair value through the profit or loss account, except subsidiaries that provide investment-related services, which will continue to be consolidated.

**2 The basis of the preparation**

**a) The declaration of conformity**

The consolidated financial statements have been prepared in accordance with the International Financial Reporting standards (IFRSs) adopted by the European Union and the Financial Supervisory Authority (FSA) Regulation No 39/28 December 2015 for the approval of accounting regulations in accordance with International Financial Reporting standards, applicable to authorized entities, Regulated and supervised by the ASF in the financial instruments and investment sector, as amended and supplemented thereafter (hereinafter referred to as the "rule").

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

The accounting records of the company and its subsidiaries are maintained in lei.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
***(all amounts shown are in lei)***

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

**b) The presentation of consolidated financial statements**

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

**c) The basis for the assessment**

Consolidated financial statements are prepared on the basis of the fair value agreement for financial assets and liabilities, at fair value through the profit and loss account and financial assets at fair value through other comprehensive income, i.e. for investment property.

Other financial assets and liabilities, as well as non-financial assets and liabilities are presented at amortized cost, revalued amount or at cost.

The methods used to measure fair value are described in Note 4.

**d) Business continuity**

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

**e) Functional and presentation currency**

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

**f) Use of estimates and judgments**

The preparation of consolidated financial statements in accordance with IFRS requires the use of estimates, judgments and assumptions from the Group's management that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. The estimates and assumptions associated with these judgments shall be based on historical experience as well as other factors considered reasonable in the context of those estimates. The results of these estimates shall form the basis for judgments on the book values of assets and liabilities that cannot be obtained from other sources of information. The results obtained may differ from the estimates.

The estimates and the underlying assumptions shall be reviewed periodically. Revisions to accounting estimates shall be recognized in the period in which the estimate is revised, if the revision only affects that period, or the period in which the estimate is revised, and future periods if the revision affects both current and future periods.

Judgments made by the Group's management in applying IFRS that have a material effect on consolidated financial statements and estimates that involve a material risk of a material adjustment in the course of next year are presented in Note 6.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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

The group adopted the document "presentation of accounting policies (amendments to IAS 1 and Declaration 2 on IFRS practice) as of 1 January 2023. The management reviewed accounting policies in this context and the amendments did not lead to changes in the accounting policies themselves. The details of the amendments and their application have already been presented in the set of consolidated financial statements in 2023.

The accounting policies set out below have been applied consistently over all the periods presented in these consolidated financial statements.

**3 The foundations of consolidation**

**a) Subsidiaries and associates**

Subsidiaries are entities under Group control. Control exists when the Group is exposed to, or has rights to, variable returns based on its involvement in the investee group and has the ability to influence those returns through its power over the investee. Potential or convertible voting rights that are then exercisable shall also be taken into account at the time of the valuation of the control.

The financial statements of subsidiaries shall be included in the consolidated financial statements from the time when control begins to cease. The accounting policies of the subsidiaries have been modified in order to align them with those of the Group.

The list of investments in subsidiaries as at 31 December 2024 and 31 December 2023 is as follows:

CAS No:	Company name	Percentage held (%)	
		31 december 2024	31 december 2023
135			
1	(SIF real estate PLC Nicosia)	99,9997	99,9997
2	(SIF SPV TWO BUCHAREST)	99,99	99,99
3	SAI Muntenia invest SA Bucharest	99,98	99,98
4	(SIF1 IMGB)	99,99	99,99
5	(Napomar SA Cluj Napoca)	99,43	99,43
6	(SIF Hotels SA Oradea)	98,99	98,99
7	(Azuga Tourism SA Bucharest)	-	98,94
	Real estate administration SA	97,40	97,40
8	Bucharest		
9	SIF SPV THREE	99,90	-
10	(Iamu SA Blaj)	96,53	96,53
11	(Vrancart SA Adjud)	76,33	76,05
12	SIF SPV FOUR	99,90	-
13	(Untech SA)**	-	36,34
14	(SIFI logistic CJ)**	5,53	5,53
15	(Ario SA Bistrita)*	-	93,64

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

\*Bankruptcy

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

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

**b) Associated entities**

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

Lion capital in which Lion capital S.A holds between 20 and 50 %, over which it exercises significant influence on 31 December 2024 is Biofarm SA.

Company name	Percentage held (%)	
	31 december 2024	31 december 2023
Biospharm SA Bucharest	36,75	36,75

On 31 December 2024 Lion capital S.A. has representatives on the Board of Directors of Biofarm SA and participates in the elaboration of its policies.

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

- Companies in liquidation, insolvency, bankruptcy, etc.

CA S No:	Company name	Percentage held (%)		Status
		31 december 2024	31 december 2023	
135				
1	COMAR SA Baia Mare	-	34,94	Bankruptcy
2	Elbac SA Bacau	-	32,45	Bankruptcy
3	Petrochart	-	30,18	Insolvency Reorganizatio
4	Agroproduct SA Resita	-	30,00	n
5	Agroindustrial Nadlac	-	30,00	Bankruptcy
6	Ardeal Alba Iulia factory	-	29,51	Bankruptcy
7	Commix SA Ocna Mures	-	28,97	Bankruptcy
8	Mebis SA Bistrita	-	26,78	Insolvency
9	Exfor SA Bucharest	-	24,23	Bankruptcy Reorganizatio
10	Mopal SA Bistrita	-	21,89	n
11	Transylvania Aiud	-	20,19	Bankruptcy

In 2024 all companies with over 20% of the share capital and in insolvency/liquidation/bankruptcy were sold.

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

- Companies over which they do not exercise significant influence

CAS No:	Company name	Percentage held (%)	
		31 december 2024	31 december 2023
135			
1	Grand Hotel Bucharest	40,19	30,19
2	TARGOVISTE SA forest	-	25,75
3	HIS Molar Suceava	-	21,63

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

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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**c) Transactions eliminated on consolidation**

Intra-group transactions and settlements, as well as unrealized profits arising from intra-group transactions, are eliminated entirely from consolidated financial statements.

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**4 Accounting policies with material impact**

The accounting policies set out below have been applied consistently over all the periods presented in these consolidated financial statements.

Accounting policies have been consistently applied by all group entities.

**Foreign currency transactions**

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

Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated into functional currency at the rate as at the date of the determination of fair value.

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

The exchange rates of the main foreign currencies were:

<b>Currency</b>	<b>Spot rate 31 december 2024</b>	<b>Spot rate 31 december 2023</b>
EUR	4,9741	4,9746
USD	4,7768	4,4958

**Cash and cash equivalents**

Cash comprises cash in cash and at banks and deposits on demand.

Cash equivalents are highly liquid short-term financial investments which are easily convertible into cash and which are subject to an insignificant risk of value changes.

In preparing the consolidated cash-flow statement, cash and cash equivalents were considered to be cash, actual cash, current accounts with banks and deposits with an original maturity of less than 90 days.

The group shall present the cash-flow statement on the basis of the indirect method, reflecting the operating, investment and financing cash flows. The group recognizes the acquisitions and sales of financial assets, dividends and interest received in the cash flows related to the investment activity. The repurchase of own shares and dividends paid to the shareholders of the parent company are reflected in the cash flows of the financing activity.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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**Financial instruments in accordance with IFRS 9 include the following:**

- Investments in equity instruments (shares);

On 31 December 2024 and 31 December 2023 the shares are measured at fair value through profit or loss or at fair value through other comprehensive income.

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

On 31 December 2024 and 31 December 2023 investments in debt instruments held are measured at fair value through profit and amortized cost.

- Trade receivables and other receivables;
- Cash and cash equivalents;
- Derivatives;
- Participating interests in subsidiaries and associates;
- Financial liabilities;
- Bonds.

**(i) Classification**

The financial instruments held are disclosed by the group in accordance with IFRS 9 "Financial instruments" as financial assets and financial liabilities.

The group presents **financial assets** at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss based on:

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

**The business model**

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

**Template of assets held for collection (amortized cost)**

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

\* SPI – payments for principal and interest only.



**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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*Assets held for collection and sale (FVTOCI) model*

- Managed both to realize cash flows from collection and through the (full) sale of assets;
- The entity shall apply those amendments in accordance with IFRS 9. An exact numerical threshold is not specified for sales compatible with this model, but frequent sales may affect the classification.
- The purpose of these sales may be: To manage current liquidity needs, to maintain a specific structure of returns obtained, or to optimize the balance sheet of the entity (linking the duration of the financial assets to that of the financial liabilities);
- The carrying-out of these assets (assuming that the SPI criterion is also met and the fair value option through profit and loss has not been selected) is at fair value through other comprehensive income (using the effective interest method; expected interest, credit gains or losses and foreign exchange differences — in profit and loss/change in the fair value of these instruments — in other comprehensive income, amounts recognized in other comprehensive income are reclassified by profit and loss on derecognition of the asset).

*Other business model (FVTPL)*

- Assets managed for the purposes of cash flow through sale;
- The collection of the cash flows associated with these investments is incidental, is not the purpose of holding the assets to collect principal and interest;
- Assets whose performance is managed and reported on the basis of their fair value;
- The carrying amount of these investments shall be realized at fair value through the profit and loss account.

**SPI test**

It contains criteria that assess the extent to which the cash flow structure of a debt instrument fits into the pattern of a basic lending agreement (interest reflects the amount over time of money, the credit risk associated with the principal, the hedging of other risks and costs associated with lending, and a margin of profit).

There are a number of indicators that indicate whether the debt instruments held should be measured at fair value through profit and loss:

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

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

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

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

A financial asset shall be measured at fair value through profit or loss, unless it is measured at amortized cost or fair value through other comprehensive income according to the criteria set out in the applicable accounting standards (for example, the SPI criterion for financial assets).

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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

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

(a) the financial asset is held under a business model whose objective is to collect contractual cash flows and sell financial assets; and

(b) the contractual terms of the financial asset give rise, on certain dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The group may make an irrevocable choice on initial recognition for certain investments in *equity instruments* that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income (in accordance with IFRS 9 — Financial instruments).

**Financial assets measured at amortized cost**

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

(a) the financial asset is held under a business model whose objective is to hold financial assets to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise, on certain dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial liabilities**

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

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

The other financial liabilities are measured at amortized cost.

**(ii) Recognition**

Financial assets and liabilities are recognized on the date the Group becomes a contractual party to the terms of that instrument. When the group first recognizes a financial asset, it shall classify it: At amortized cost, at fair value through profit or loss or at fair value through other comprehensive income) of IFRS 9 and measure it in accordance with IFRS 9 (a financial asset or financial liability is measured at its fair value plus, respectively, the transaction costs directly attributable to the acquisition or issue of the asset or liability.)

**(iii) Assessment**

After initial recognition, the group shall measure financial assets in accordance with IFRS 9 at:

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

The entity shall apply those amendments to IFRS 9.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
***(all amounts shown are in lei)***

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Thus, the Group will classify all financial liabilities at amortized cost, except:

- a) financial liabilities measured at fair value through the profit or loss account;
- b) financial liabilities that arise where the transfer of a financial asset does not meet the conditions for derecognition;
- c) Financial collateral arrangements measured at the greater of the amount of the loss provision (in IFRS 9) than the amount initially recognized less the cumulative income (recognized under IFRS 15);
- d) Liabilities for the provision of a loan at an interest rate below the market value, measured at the higher of the loss provision amount (in IFRS 9) than the amount initially recognized less the cumulative income (recognized under IFRS 15);
- e) Contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies.

***Fair value measurement***

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured after initial recognition less principal repayments, plus or minus the accumulated depreciation using the effective interest method for each difference between the original value and the outstanding amount, and minus any write-down for any estimated credit losses.

The effective interest rate is the rate that accurately updates future cash payments and receipts over the expected life of the financial instrument up to the level of the gross carrying amount of the financial asset that is the amortized cost of the financial liability. When calculating the effective interest rate, the group shall estimate the cash flows taking into account all contractual terms of the financial instrument, but shall not take into account future losses from the change in credit risk. The calculation shall include all commissions and points paid or received by the parties to the contract that form an integral part of the effective interest rate, transaction costs and all other premiums and discounts.

***Fair value measurement***

Fair value is the price that would have received when selling an asset or paid for the transfer of a liability in a normal transaction between main market participants at the measurement date or in the absence of the principal market, On the most advantageous market to which the group has access at that time. The group measures the fair value of a financial instrument using prices quoted on an active market for that instrument. A financial instrument has an active market if quoted prices are readily available for that instrument on a regular basis. The group measures instruments quoted on active markets using the clearing price.

A financial instrument is considered to be quoted on an active market where quoted prices are immediately and regularly available from an exchange, dealer, broker, industry association, pricing service or regulatory agency, and these prices reflect real and regular transactions carried out under objective market conditions.

Shares listed on an active market are all those shares admitted to trading on the stock exchange or on the alternative market and presenting frequent transactions. The market price used to determine fair value shall be the close-out price of the market on the last trading day before the measurement date. The fund units are valued on the basis of the net asset unit value (VUAN) as calculated by the fund manager using close-out quotes. For all funds, prices (net asset value) are readily available to the Group on a regular basis. For all funds, transactions in units take place on a regular basis under normal market conditions.

The group also considers that the frequency is sufficient given the characteristics of the asset, with the subscription and redemption intervals set by the fund manager and the transactions taking place at the quoted price (VUAN) not adjusted. The group considers that the NAV of each fund is representative of fair value.

The government bonds are valued on the basis of the available market quotation in Bloomberg for the issue, multiplied by the denomination per unit.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
***(all amounts shown are in lei)***

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In the absence of a price quote on an active market, the group shall use valuation techniques. The fair value of financial assets not sold on an active market is determined by authorized valuers.

Valuation techniques include techniques based on the use of observable inputs, such as the quoted price of the identical item held by another party as an asset, in a market that is not active and for assets for which observable prices are not available, valuation techniques based on discounted cash flow analysis. These include the method of comparison with similar instruments for which there is an observable market price, i.e. the percentage of the net assets of such undertakings adjusted for a minority holding discount and a liquidity-free discount, making full use of market information, based as little as possible on company-specific information.

The group shall use valuation techniques that maximize the use of observable data and minimize the use of unobservable data.

Valuation techniques shall be used consistently.

***(iv) The identification and measurement of expected credit losses***

The group shall recognize an adjustment for expected credit losses on a financial asset that is measured in accordance with IFRS 9 (debt instruments measured at amortized cost or at fair value through other comprehensive income), a debt arising from a lease, a loan commitment and a financial collateral arrangement.

The group applies the expected credit loss requirements to recognize the loss adjustment on assets measured at fair value through other comprehensive income (debt instruments that meet the criteria in IFRS 9 — assets held for the purpose of collecting cash flows and selling, whose cash flow is exclusively principal repayments or interest payments). The adjustment thus determined shall be recognized on the other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

For the purpose of this template, the reporting entity shall report the following information:

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

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

The group recognizes in the profit or loss account, as an expected credit loss gain or loss, the amount of expected losses recognized or reversed required to affect the adjustment for losses at the reporting date to the level required by IFRS 9.

The group shall assess the expected credit losses of a financial instrument in such a way as to represent:

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

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

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

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
***(all amounts shown are in lei)***

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

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

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

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

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

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

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

***(v) Unrecognition***

The group derecognizes a financial asset when the rights to receive cash flows from that financial asset expire, Or when the group transferred the rights to receive the contractual cash flows of that financial asset in a transaction in which it substantially transferred all the risks and benefits of the ownership. Any interest in transferred financial assets retained by the group or created for the group is recognized separately as an asset or liability.

The group derecognizes a financial liability when the contractual obligations are terminated or contractual obligations are written off or expire.

The derecognition of financial assets and liabilities shall be accounted for using the weighted average cost method. This method assumes that the value of each item is calculated on the basis of the weighted average value of similar items in stock at the beginning of the period and the value of similar items purchased during the period.

***(vi) Reclassifications***

If the group reclassifies financial assets in accordance with IFRS 9 (as the effect of changing the business model for the management of its financial assets), then all affected financial assets will be reclassified. Financial liabilities may not be reclassified after initial recognition.

The group applies the reclassification of financial assets prospectively from the reclassification date. Any previously recognized gains, losses or interest will not be retreated.

In the event of a reclassification, the Group shall:

- When reclassifying an asset from the category of cost amortized to the fair value through the profit or loss account, fair value is determined at the reclassification date. The difference between the amortized cost and the fair value is recognized in the profit or loss account;
- When reclassifying an asset from the fair value category through the profit or loss account to the amortized cost, the fair value at the reclassification date becomes the new gross carrying amount;
- When reclassifying an asset from the cost category amortized to the fair value through other comprehensive income, fair value is determined at the reclassification date. The difference between the amortized cost and the fair value is recognized in other comprehensive income without adjusting the effective interest rate or expected credit losses;

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
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- When reclassifying an asset from the fair value category through other comprehensive income to the amortized cost, the reclassification is made at the fair value of the asset at the reclassification date. Amounts previously recognized in other comprehensive income are eliminated in relation to the fair value of the asset without affecting the profit or loss account. The effective interest rate and expected credit losses are not adjusted as a result of the reclassification;
- When reclassifying an asset from the fair value category through the profit or loss account to the fair value through other comprehensive income, the asset continues to be measured at its fair value;
- When reclassifying an asset from the fair value category through other comprehensive income to the fair value through the profit or loss account, the financial asset continues to be measured at fair value. The amounts previously recognized in other comprehensive income are reclassified from equity to the profit or loss account as a reclassification adjustment (in line with IAS1).

***(vii) Gains and losses***

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

- Gains or losses on financial assets or financial liabilities classified as measured at fair value through the profit or loss account are recognized in the profit or loss account;
- Gains or losses on a financial asset measured at fair value through other comprehensive income are recognized in other comprehensive income.

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

- Changes in fair value (including foreign exchange) to other comprehensive income — these gains will never be recycled to the profit and loss account, even on derecognition (as opposed to FVOCI debt instruments);
- Dividend income is recognized in profit or loss.

Gains on debt instruments (bonds):

- Changes in fair value (including foreign exchange) in other comprehensive income
- Interest income shall be recognized in the profit or loss account
- IAS 1.9(a); IAS 1.9(a),(b)(i)

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

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

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

For financial assets recognized using settlement date accounting, no change in the fair value of the asset to be received during the period between the trading date and the settlement date is recognized for assets recorded at cost or at amortized cost (excluding expected credit loss losses). For assets accounted for at fair value, however, the change in fair value shall be recognized in the profit or loss account or in equity, as applicable.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
***(all amounts shown are in lei)***

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**d) Non-current assets held for sale**

The group accounts for non-current assets held for sale in accordance with IFRS 5. The group reclassifies fixed assets within this category if the following conditions are met: There is a firm commitment to dispose of them, the asset is readily available for sale, there is an active program to search for potential buyers, the price at which the asset is to be redeemed is reasonable, in relation to its fair value, there are no clear indications that the sale decision is likely to be withdrawn.

The measurement at the date of classification as non-current assets for sale is based on the carrying amount of the asset determined in accordance with the Financial Reporting Standard applicable to that category. The subsequent measurement shall be carried out at the lower of the carrying amount to the fair value less the costs incurred in valuing the assets.

At the date of reporting, the Group classified certain non-current assets as held for sale in accordance with the requirements of IFRS 5 'non-current assets held for sale and discontinued operations'.

Fixed assets classified as held for sale were valued on the basis of a valuation report prepared by an authorized independent valuer. In accordance with IFRS 5, these assets are recognized at the lower of the carrying amount and the fair value less the selling costs.

For the assets presented, no value loss adjustments were necessary because the sale value set out in the contract is consistent with the fair value determined by the measurement report. Moreover, no changes in the sales price are anticipated and the costs of the transfer of ownership are insignificant and do not justify the making of adjustments. The group considers that there are no significant risks linked to the completion of the sale of these assets. Therefore, there is no need to make a provision for impairment losses or for risks related to the non-completion of the transaction.

The only remaining cost to be incurred is the cost associated with administrative formalities, therefore the Group considers that a sensitivity analysis is not relevant. These costs are specified in the transaction and do not affect the net amount of assets recognized in the financial statements.

Non-current assets held for sale shall be shown at the contractual sale value without any further adjustment and the risks relating to the transaction shall be considered insignificant.

The proceeds from the sale of these assets are recognized when the significant risks and benefits of the property are transferred to the buyer

**(E) other financial assets and liabilities**

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

**(F) tangible assets**

***(i) Recognition and measurement***

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

Tangible assets are classified by the group into the following asset classes of the same nature and of similar use:

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

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***(all amounts shown are in lei)***

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***(ii) Valuation after recognition***

After recognition as an asset, items of property, plant and equipment that can be reliably measured in fair value are accounted for at a revalued amount, that being fair value at the revaluation date less any subsequent accumulated depreciation and any accumulated expected credit loss losses. Other tangible assets are measured at cost less accumulated depreciation and any expected credit loss losses.

Remeasurements shall be made regularly to ensure that the carrying amount does not differ significantly from what would have been determined by using fair value at the end of the reporting period.

If an item of property, plant and equipment is revalued, then the whole class of property, plant and equipment to which that item belongs shall be revalued.

If the carrying amount of an asset is increased as a result of a revaluation, the increase is recognized in other comprehensive income and accumulated in equity as a revaluation surplus.

However, the mark-up will be recognized in the profit or loss account to the extent that it compensates for a decrease from the revaluation of the same asset previously recognized in the profit or loss account.

If the carrying amount of an asset is reduced as a result of a revaluation, this reduction shall be recognized in the profit or loss account.

However, the discount will be recognized in other comprehensive income to the extent that the revaluation surplus presents a creditor balance for that asset. Transfers from revaluation surplus to retained earnings shall not be effected through the profit or loss account.

***(iii) Subsequent costs***

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

- Whether the future economic benefits associated with the asset are likely to be input;
- Whether these costs can be measured credibly.

The daily maintenance costs ("Repair and maintenance expenses") of tangible assets are not capitalized; they are recognized as costs of the period in which they occur. These costs consist mainly of labor and consumables, and may also include the cost of low value components.

Charges for the maintenance and repair of tangible fixed assets shall be recorded in the profit or loss account when they arise, and significant improvements to tangible fixed assets which increase their value or life, or which significantly increase their ability to generate economic benefits, shall be capitalized.

***(iv) Cushioning***

Depreciation is calculated for the cost of the asset or another value that replaces the cost less the residual value. Depreciation shall be recognized in the profit or loss account using the linear method for estimated useful life of tangible assets.

The estimated useful lives for the current period and for the comparative periods are as follows:

Construction	10-50 years
Equipment, technical installations and machinery	3-30 years
Means of transport	4-12 years
Furniture and other property, plant and equipment	3-20 years

Amortization methods, estimated useful life as well as residual values shall be reviewed by the Group leadership at each reporting date.



**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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**(v) the sale/disposal of tangible assets**

The carrying amount of an item of property, plant and equipment is derecognized (removed from the statement of financial position) on disposal or when no future economic benefit is expected from its use or disposal.

Tangible assets that are scrapped or sold are removed from the balance sheet together with the corresponding accumulated depreciation. Any profit or loss resulting from such a transaction shall be included in the current profit or loss account.

**(ii) Investments in real estate**

An investment property is a real estate (land, building or part of a building) owned by the group rather to obtain rental income or to increase the value of capital, or both, except for use in the production or supply of goods or services or for administrative purposes or to be sold in the normal course of business.

**(iii) Recognition**

An investment property shall be recognized as an asset if, and only if, the future economic benefits associated with the investment property are likely to accrue to the group and the cost of the investment property can be measured reliably.

**(iv) Assessment**

*Measurement on recognition*

An investment property shall initially be valued at cost, including transaction costs. The cost of an investment property purchased includes its purchase price plus any directly attributable expenses (e.g. professional fees for the provision of legal services, fees for the transfer of ownership and other transaction costs).

*Valuation after recognition*

*Fair value model*

After initial recognition, all investments in real estate are measured at fair value, except where fair value cannot be reliably determined on a continuous basis.

In exceptional circumstances where, at the time of the first purchase of an investment property, there is clear evidence that the fair value of the investment property cannot be reliably determined on a continuous basis, the Group shall measure that investment property using the cost model. All other investments in real estate are measured at fair value. If the Group has previously measured an investment property at fair value, then it will continue measuring that investment property at fair value until the disposal.

Gains or losses arising from changes in the fair value of investments in property are recognized in the profit or loss for the period during which they occur.

The fair value of investment property shall reflect market conditions at the end of the reporting period.

**(v) Unrecognition**

The carrying amount of an investment property is derecognized (eliminated from the statement of financial position) at the time of disposal or when the investment is definitively withdrawn from use and no future economic benefits are expected to arise from its disposal.

Gains or losses on disposal or disposal of an investment property shall be recognized in the profit or loss account during the period of disposal or disposal.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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**g) Expected credit losses on non-financial assets**

The carrying amount of non-financial group assets other than deferred tax assets shall be reviewed at each reporting date to identify the existence of expected credit loss indicators. Where such indications exist, the recoverable amount of the assets in question shall be estimated.

A loss on expected credit losses is recognized when the carrying amount of its cash-generating asset or unit exceeds the recoverable amount of the cash-generating asset or unit. A cash-generating unit is the smallest identifiable group that generates cash and is independent of other assets and groups of assets. Expected credit loss shall be recognized in the profit and loss account.

The recoverable amount of an asset or a cash-generating unit is the maximum of its value in use and its fair value less the costs of selling that asset or unit. For the determination of the net use value, future cash flows are discounted using a pre-tax discount rate reflecting current market conditions and risks specific to the asset.

For the purpose of this Annex, the following terms shall be used: The expected credit loss shall be resumed if there has been a change in the estimates used to determine the recovery amount. The expected credit loss shall be resumed only if the carrying amount of the asset does not exceed the carrying amount that would have been calculated, net of amortization and expected credit losses had the expected credit loss not been recognized.

Non-financial assets, other than goodwill, that have been affected by expected credit losses shall be reviewed for the possible reversal of impairment on each reporting date.

**h) Share capital and own shares**

Ordinary shares are recognized in the capital. The incremental costs directly attributable to an issue of ordinary shares are deducted from the capital net of the effects of taxation.

For the purposes of preparing IFRS-compliant consolidated financial statements, the Group also applied the provisions of IAS 29 'Financial Reporting in hyperinflationary economies' adjusting the share capital to be expressed in the current unit of measurement on 31 December 2003.

The group recognizes the redemptions of own shares at the trade date as a decrease in equity. Repurchased equity shares are recorded at acquisition value, brokerage commissions and other costs directly related to the acquisition being recognized in a separate account as also a reduction in equity. The cancellation of its own shares shall be subject to the approval of the shareholders, subject to all legal requirements relating to the operation. In derecognition, the group uses the share capital (for nominal value), i.e. retained earnings (for the difference between acquisition cost and nominal value) accounts against the canceled own shares.

**i) Provisions for risks and charges**

Provisions shall be recognized in the consolidated statement of financial position where a past-event obligation arises for the group and it is likely that in the future it will be necessary to consume economic resources to discharge this obligation and a reasonable estimate of the amount of the obligation may be made. For the purpose of determining the provision, future cash flows shall be discounted using a pre-tax discount rate reflecting current market conditions and risks specific to that liability. The amount recognized as a provision constitutes the best estimate of the expenses required to settle the current obligation at the end of the reporting period.

**j) Income and interest expenses**

Income and interest expenses shall be recognized in the consolidated statement of profit or loss by the effective interest method. The effective interest rate is the rate that accurately updates future cash payments and receipts over the expected life of the financial instrument up to the level of the gross carrying amount of the financial asset that is the amortized cost of the financial liability.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
***(all amounts shown are in lei)***

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**k) Income from dividends**

Dividends on an equity instrument classified at fair value through other comprehensive income at that fair value through profit or loss are recognized in profit or loss when the entity's right to receive those amounts is determined, Unless these amounts represent a substantial return on the cost of the investment, in accordance with IFRS 9.

The group does not register dividend income on shares received free of charge when they are distributed proportionally to all shareholders.

Dividend income is recorded gross of tax on dividends (2024: 8%, 2023: 5% and 27,5%), which is recognized as a current expense on corporate tax. Their accounting recognition shall be made after the date of registration, which identifies the shareholders on which the resolutions of the general meeting of shareholders are passed, having regard to the number of shares held by the group at the date of registration and the gross dividend/share approved by those resolutions.

**l) Revenues from management activity (SAI Muntenia)**

The expected amount of income of the variable fee shall be determined by one of the following methods: (A) the expected amount representing the sum of the probability-weighted amounts of a range of possible consideration amounts. An expected value may be an appropriate estimate of the amount of variable consideration if an entity has a large number of contracts with similar characteristics. (b) the most likely value of the single most likely value in a range of possible consideration amounts (i.e. the single most likely outcome of the contract). The most likely amount may be an appropriate estimate of the amount of variable consideration if the contract has two possible outcomes (either it obtains a performance premium or it does not). The group should recognize an estimated performance fee income amount only to the extent that a significant reversal in the amount of recognized cumulative income is likely not to occur when the uncertainty associated with variable consideration is subsequently resolved. The group has a limitation in estimating the amount of performance fee during the financial year in accordance with IFRS 15 and recognizes this revenue only annually. The revenues from the management activity shall be recognized under contracts with the funds administered. The price of the contracts is the monthly administration fee and a performance fee determined in accordance with the contractual provisions. The Group has management contracts with the LongshShield Investment Group and company contracts with the open Investment Fund Plus invest and FIIPCP Muntenia trust. For the administration of the LongshShield Investment Group the monthly administration fee shall be calculated as a percentage of the total asset certified by the depository bank for the last day of the month, And the performance fee is due to meet the performance criteria and objectives set annually by the General meeting of the shareholders of the administered company and is calculated by applying a percentage to the difference between the gross profit realized and the budgeted gross profit. For the administration of the open Investment Fund Plus invest, the monthly management fee is calculated as a percentage on the monthly average of the net assets certified by the depository bank and for the management of FIIPCP Muntenia trust the Commission is calculated as a percentage on the total assets of the Fund. No performance fee is due for the administration of these two funds.

**m) Rental income**

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

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
***(all amounts shown are in lei)***

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**n) Employee benefits**

***(i) Short-term benefits***

Short-term employee benefit obligations are not updated and are recognized in the statement of comprehensive income as the related service is provided.

Short-term employee benefits include wages, bonuses and social security contributions. Short-term employee benefits are recognized as an expense when services are provided.

***(ii) Defined contribution plans***

The group makes payments on behalf of its employees to the Romanian state pension system, and health insurance, in the course of normal activity. The group also holds and is transferred to private pension funds the amounts with which employees signed up to an optional pension plan.

All the Group's employees are members and also have a legal obligation to contribute (through social contributions) to the Romanian State's pension system (a defined contribution plan of the State). All related contributions shall be recognized in the profit or loss account of the period when they are made. The group has no further obligations.

The group is not engaged in any independent pension scheme and therefore has no other obligations to do so. The group shall not be required to provide any subsequent services to former or current employees.

***(iii) long-term employee benefits***

The net obligation of the Group in terms of long-term service benefits shall be the amount of future benefits that employees have earned in exchange for services provided by them in the current and prior periods. Within the group, depending on the rules of the collective employment agreement in force, persons who retire at the age of their retirement may receive aid at the level of five net average wages per group.

The net liability of the group in respect of long-term benefits determined on the basis of the collective agreement shall be estimated using the projected credit factor method and recognized in the profit and loss account on the accrual basis. The surplus or deficit arising from changes in the discount rate and other actuarial assumptions is recognized as income or expense over the remaining working life of the employees participating in this plan.

***(iv) share-based payment and share option plan***

IFRS 2 requires that for share-based payment transactions, the Group shall measure the goods or services received and the corresponding increase in equity directly at the fair value of the goods or services received, unless fair value cannot be reliably estimated. If the group is unable to reliably estimate the fair value of the goods or services received, the group shall measure their value and the corresponding increase in indirect equity in relation to the fair value of the equity instruments granted. To apply those provisions to transactions with employees and other persons providing similar services, the Group shall measure the fair value of services received by reference to the fair value of the equity instruments granted, because it is generally not possible to estimate reliably, the fair value of the services received. The fair value of those equity instruments shall be measured at the date of granting. An award of equity instruments may be conditional on the specific vesting conditions being satisfied. For example, a grant of shares or share options to an employee is generally conditional on the employee remaining in the Group's service for a specified period of time. Performance conditions may need to be satisfied, such as the group achieving a specified profit increase or a specified increase in the price of the group's shares. Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
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valuation of the transaction value so that ultimately, the amount recognized for the goods or services received as a counterpart for the equity instruments awarded shall be based on the number of equity instruments that eventually vesting. Therefore, on a cumulative basis, no value is recognized for the goods or services received if the equity instruments awarded do not vesting due to the failure to meet a vesting condition, for example, partner does not complete the specified service period or a performance condition is not met.

**o) Income tax**

***Reflected in the statement of financial position***

Income tax includes current and deferred tax.

Income tax is recognized in profit or loss or other comprehensive income if the tax is on capital items. The group recognizes a deferred income tax liability/asset for temporary (deductible) fair value differences in equity investments measured at fair value through other comprehensive income. The amount of this liability / receivable is appropriately adjusted whenever differences in taxable (deductible) fair value are recognized.

Deferred tax shall be determined using the balance sheet method for those temporary differences which arise between the tax base for the calculation of the tax on assets and liabilities and their carrying amount used for reporting in consolidated financial statements.

Deferred tax shall not be recognized for the following temporary differences: Initial recognition of goodwill, initial recognition of assets and liabilities arising from transactions that are not combinations of undertakings and do not affect neither accounting nor tax profits, and differences arising from investments in subsidiaries and associates, provided that they are not resumed in the near future. Deferred tax is calculated on the basis of tax percentages that are expected to be applicable to temporary differences upon their reversal, based on legislation in force at the reporting date or legislation issued at the reporting date and which will enter into force thereafter.

Deferred tax liability is recognized only to the extent that it is likely that future taxable profit will be obtained after offsetting against the tax loss of previous years and the income tax to be recovered. The deferred tax asset is impaired to the extent that the related tax benefit is unlikely to be realized.

The calculated deferred tax assets and deferred tax liabilities are shown net in the financial statements of the Group.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets and liabilities that relate to taxes levied by the same tax authority, the same taxable entity or different tax entities, but who intend to offset current tax claims and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

***Reflected in the statement of profit or loss***

Current income tax also includes tax on income from dividends recognized at gross value, i.e. income tax (in the case of a subsidiary).

Additional taxes arising from the distribution of dividends are recognized on the same date as the liability to pay dividends.

Current tax is the tax payable on profits realized in the current period, determined on the basis of the percentages applied on the balance sheet date and all adjustments relating to the preceding periods.

On 31 December 2024 and 31 December 2023, the income tax was 16% and the income tax was 1%.

**p) The result per share**

The Lion parent capital shall present the information on basic and diluted earnings per share in separate financial statements.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
***(all amounts shown are in lei)***

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**q) Dividends**

Dividends are treated as a profit distribution during the period in which they were declared and approved by the General meeting of shareholders. The profit available for distribution shall be the profit of the year in consolidated financial statements drawn up in accordance with the International Financial Reporting standards adopted by the European Union.

Dividends which have not been retained for three years and for which the right to claim has been prescribed shall be recorded in equity under other reserves.

**r) Reporting by segment**

An operating segment is a component of an entity that engages in commercial activities from which it can obtain income and incur expenses (including income and expenses related to transactions with other components of the same entity) the operational results of which are regularly reviewed by the entity's chief operational decision maker to decide on the resources to be allocated to the segment and assess its performance and for which financial information is available.

From the point of view of the management, the real estate business of some of the subsidiaries is pursued as a financial activity and has been included in the segment of financial activity.

**s) Adoption of new or revised standards and interpretations**

**New IFRS accounting standards and amendments to existing standards that are effective for the current year:**

In the current year, the Group applied a number of amendments to the IFRS accounting standards issued by the International accounting standards Board (IASB) and adopted by the European Union which entered into force for the reporting period starting on or after 1 January 2024. Their adoption has not had a significant impact on the disclosures or amounts reported in these financial statements:

Amendments to IAS 1 — classification of liabilities into short-term and long-term liabilities and long-term liabilities with financial indicators;

Amendments to IAS 7 and IFRS 7 - financing agreements with suppliers;

Amendments to IFRS 16 — lease liabilities in a sale and leaseback transaction.

**New IFRS accounting standards and amendments to existing standards issued and adopted by the EU but not yet in force**

At the time of the approval of these financial statements, the Group did not apply the following amended IFRS accounting standards that have been issued by the IASB and adopted by the EU but have not yet entered into force:

Amendments to IAS 21 — No convertibility.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
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**New IFRS accounting standards and amendments to existing standards issued but not yet adopted by the EU**

At present, IFRS as adopted by the EU do not differ significantly from IFRS adopted by the International accounting standards Board (IASB), except for the following new standards and amendments to existing standards, which were not adopted by the EU at the time of authorization of these separate Financial statements:

Amendments to IFRS 9 and IFRS 7 - amendments to the classification and measurement of financial instruments (date of entry into force of the IASB: 1 January 2026);

Amendments to IFRS 9 and IFRS 7 — contracts that relate to electricity dependant on natural conditions;

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 — annual improvements to IFRS accounting standards — volume 11 (IASB effective date: 1 January 2026);

IFRS 18- presentation and disclosure of information in financial statements (effective date set by IASB: 1 January 2027);

IFRS 19 - non-public subsidiaries: Disclosures (effective date set by IASB: 1 January 2027);

IFRS 14 - deferred accounts related to regulated activities (effective date set by: 1 January 2016);

Amendments to IFRS 10 and IAS 28—sale of or contribution with assets between an investor and its associates or joint ventures and subsequent amendments (effective date was deferred indefinitely by the IASB but early application is permitted).

The group anticipates that the adoption of these new standards and amendments to existing standards will not have a significant impact on the group's consolidated financial statements in the future.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Group's estimates, the use of hedge accounting in a portfolio of financial assets and liabilities according to IAS 39 Financial instruments: Recognition and measurement would not materially affect the consolidated financial statements if applied at the balance sheet date.

**t) Events after the balance sheet date**

Events that occur after the balance sheet date may provide additional information relating to the reported period compared to those known at the balance sheet date. If the annual consolidated financial statements have not been approved, they must be adjusted to reflect additional information if that information relates to conditions (events, operations, etc.) that existed at the balance sheet date. Post-balance-sheet events are those events, whether favorable or unfavorable, that occur between the balance-sheet date and the date on which the annual financial statements are approved. Post-balance-sheet events shall include all events that occur until the date on which the annual consolidated financial statements are approved, even if those events occur after the disclosure of financial information to the public.

Two types of post-balance sheet events can be identified:

those proving the conditions that existed on the balance sheet date. These post-balance sheet events shall lead to the adjustment of the annual financial statements; and

those giving indications of conditions occurring after the balance sheet date. These events after the balance sheet date do not lead to an adjustment of the annual financial statements.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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

**u) Non-financial climate information and the impact of climate risks on asset depreciation**

In the context of the European Union's objective of achieving climate neutrality by 2050, the Group recognizes the need for significant investment and the mobilization of capital to economic sectors that can facilitate the transition to a sustainable model. In this respect, some of the Group's sustainability efforts have focused on integrating the ESG (Environment, Social and governance) principles into its current activities. The Group also assessed the impact of climate risks on its assets, including the associated impairment risks, and took appropriate measures to manage them.

The tangible assets held by the group, classified both as tangible assets and as investments in real estate (shown in the specific notes to the financial statements), are amortized according to the applicable legal and accounting rules. Their periodic revaluation, for the purposes of fair value measurement, carried out in accordance with the applicable valuation standards, shall also take into account the risks associated with the holding or operation of those assets. The assets held by the group and reflected as tangible assets or investments in real estate have not suffered value impairments that represent the effect of climate change and the impact of which is recognized in the financial statements prepared by the group.

*Provisions, accounting treatment of contracts for the purchase of electricity*

The group has not concluded and has no contracts for the purchase of electricity other than those signed as final consumer to ensure the operation of the operational business at the Group's main headquarters and at the branch in Bucharest. Therefore, the group did not recognize provisions in this respect. Both in previous financial years and in the financial year ended 31 December 2024, the share of energy costs in the group's total operating expenditure was low.

**v) The impact of the conflict in Ukraine on the consolidated financial statements**

The group has no investments or exposures in the area of the military conflict in Ukraine. The impact on the group's assets and financial performance is linked to unpredictable financial market developments, significant fluctuations in the value of some asset categories, significant changes in fair value in the equity interests of issuers experiencing disruption in the raw material supply chain, increase in operating costs or increase in energy costs. These issues have been reflected in the level 1 fair value changes during the year, in the interim reporting, and in these financial statements, in the assumptions used in determining the level 3 fair value applied to unlisted or unactive market holdings.

**(v) the impact of the current macroeconomic environment on employee benefits, expected credit losses on non-financial assets and expected credit losses (LCAs)**

*Employee benefits*

The group did not register exceptional variations in employee benefits that would be the effect of the current macroeconomic environment. Any changes in the level of employee remuneration shall be the result of regular negotiations between the group management and the employee representatives, under the conditions laid down in applicable legal regulations.



**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
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The tangible assets held by the group, classified both as tangible assets and as investments in real estate (shown in the specific notes to the financial statements), are amortized according to the applicable legal and accounting rules. The periodic revaluation thereof, for the purposes of fair value highlighting, carried out in accordance with the applicable valuation standards, shall take into account the macroeconomic context at the date of the valuation and any trends that may affect the explicit forecast period. The assets held by the group and reflected as tangible assets or investments in real estate have not suffered any depreciation that would represent the effect of the current macroeconomic environment and whose impact would be recognized in the consolidated financial statements prepared by the group.

*Expected credit losses*

The group assessed the need to recognize expected credit losses in accordance with IFRS using the simplified expected credit loss model ('ECL'). The estimation was based on the probability of payment, risk exposure and expected loss analysis, taking into account the information available at the reporting date.

This analysis has led to the determination that expected credit losses do not have an impact on consolidated financial statements. Compared to previous periods, there were no significant changes in the estimates of LECs that would justify further adjustments. Details of these financial instruments are shown in the notes on the financial statements, the sections on the risks to which the Group is exposed, and in the notes detailing the property positions which include those assets

## **5 Managing significant risks**

The risk management activity is part of the organizational structure of the Group and covers both general and specific risks as required by applicable national and European laws and regulations.

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

The group uses a variety of policies and procedures to manage and assess the types of risk to which it is exposed. These policies and procedures are outlined in the sub-chapter on each type of risk.

### **5.1 Financial risks**

#### **(a) Market risk**

Market risk is the current or future risk of loss on balance sheet and off-balance sheet positions due to adverse market price fluctuations (e.g. stock prices, interest rates, foreign exchange rates). The group's management shall set acceptable risk limits, which shall be regularly monitored. However, the use of this approach does not lead to the prevention of losses outside the limits set in the event of significant market fluctuation.

Position risk is associated with the portfolio of financial instruments held by the group with the intention of benefiting from favorable price developments of those financial assets or from any dividends/coupons issued by issuers. The group is exposed to position risk, both general and specific, due to short-term investments in bonds, shares and units.

The management has pursued and is continuously seeking to minimize the potential adverse effects associated with this financial risk through an active policy of prudential portfolio diversification, And by using one or more risk mitigation techniques depending on the evolution of market prices of the financial instruments held by the group.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
***(all amounts shown are in lei)***

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*Concentration risk*

Concentration risk concerns all assets held by the group, irrespective of the period of its holding, and the purpose of reducing this type of risk is to avoid too much exposure to a single obligor/issuer at group level.

The management policy for the diversification of exposures shall apply to the portfolio structure, the structure of the business model and the structure of financial risk exposures. This diversification policy thus involves: Diversification of the portfolio by avoiding excessive exposure to a debtor, issuer, country or geographical region; diversification of the business plan structure aims at the level of the group to avoid excessive exposure to a particular business line/business sector; the diversification of the financial risk structure shall aim at avoiding excessive exposure to a particular type of financial risk.

The market risk of the equity instruments results predominantly from shares measured at fair value through other comprehensive income and the profit or loss account. Entities in which the Group holds shares operate in various industries.

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

The strategy of the market risk Management Group shall be guided by its investment objective and market risk shall be managed in accordance with its policies and procedures.

The group is exposed to the following market risk categories:

*(i) the pre-tax risk of equity*

Price risk is the risk of loss on balance sheet positions due to asset price developments.

The group is at risk that the fair value of the financial instruments held fluctuates as a result of changes in market prices, whether caused by factors specific to the issuer's business or factors affecting all instruments traded in the market.

The Management Board shall monitor the conduct of market risk management and internal procedures shall provide that, where price risks are not consistent with the investment policy and the principles of the Group, portfolio rebalance shall be carried out.

A positive change of 10% in the price of financial assets at fair value through the profit and loss account (subsidiary shares, associates, corporate bonds and units) would lead to an increase in profit after tax by lei 137.191.165 (31 December 2023: lei 179.853.492), a negative variation of 10% having a similar but opposite impact.

A positive change of 10% in the prices of financial assets measured at fair value through other comprehensive income, investments in shares and corporate bonds would result in an increase in equity, net of profit tax, by lei 57.171.894 (31 December 2023: lei 157.977.004), a negative variation of 10% having a similar but opposite impact.

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**(all amounts shown are in lei)**

As can be seen from the table below, on 31 December 2024, the Group held a majority of shares in companies active in financial, banking and insurance, with a share of 51,2% of the total portfolio, up from 31 December 2023.

	<b>31 december</b>		<b>31 december</b>	
	<b>2024</b>	<b>%</b>	<b>2023</b>	<b>%</b>
In ROL				
Financial intermediation and insurance	1.859.179.679	51,2%	1.464.763.687	44,9%
Financial services applicable to real estate	738.179.097	20,3%	435.363.472	13,4%
Manufacturing	531.428.464	14,6%	890.194.675	27,3%
Mining and quarrying	251.752.575	6,9%	203.994.153	6,3%
Hotels and restaurants	98.666.643	2,7%	178.795.162	5,5%
Rental of real estate	76.141.755	2,1%	8.081.063	0,2%
Transport and storage	42.431.866	1,2%	46.044.950	1,4%
Production and supply of energy, gas, water	27.450.000	0,8%	28.800.000	0,9%
Construction	4.463.516	0,1%	4.377.211	0,1%
Wholesale and retail trade, repair of motor vehicles	206.465	0,0%	230.430	0,0%
Agriculture, forestry and fishing	-	0,0%	39.615	0,0%
<b>TOTAL</b>	<b>3.629.900.060</b>	<b>100,0%</b>	<b>3.260.684.418</b>	<b>100,0%</b>

As of December 31, 2024, the Group holds 317.095.914 lei (December 31, 2023: 395.546.142 lei) in the following investment funds: ASSETS PLUS (alternative Investment Fund with private capital), OPTIMUM INVEST (alternative Investment Fund with private capital), STAR VALUE (Alternative investment fund of open type), CERTINVEST SHARES (open type alternative Investment Fund), ROMANIA STRATEGY FUND (closed type alternative Investment Fund) and FDI PLUS invest . The group is exposed to price risk in terms of investments made (quoted shares, bonds, bank deposits) with different risk levels by these investment funds.

(vi) *Interest rate risk*

**Reform of IBOR**

Interest rate risk is the risk that the income or expenses, or the value of the group's assets or liabilities, will fluctuate as a result of changes in market interest rates.

In the case of interest-bearing financial instruments: The interest-rate risk is composed of the risk of fluctuation in the value of a given financial instrument due to changes in interest rates and the risk of differences between the maturity of interest-bearing financial assets and interest-bearing liabilities. However, interest rate risk may also affect the value of fixed interest-bearing assets (e.g. bonds), so an increase in the market interest rate will reduce the value of future cash flows generated by them and may lead to a reduction in their price, if it increases investors' preference to place their funds in bank deposits or other instruments whose interest rate has increased, and vice versa, a reduction in the market interest rate may increase the price of shares and bonds and will increase the fair value of future cash flows.

With regard to fixed interest-bearing assets or marketable assets, the Group is at risk that the fair value of future cash flows of financial instruments will fluctuate as a result of changes in market interest rates.

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

The group shall not use derivatives to protect itself from interest rate fluctuations.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

The following table illustrates the annual interest rates obtained by the group for interest-bearing assets during 2024:

<b>Financial assets</b>	<b>RON Range</b>		<b>ANNEX Range</b>	
	<b>Min</b>	<b>Max</b>	<b>Min</b>	<b>Max</b>
Bank deposits	0,0%	6,75%	2,8%	3%
Financial assets at fair value through profit and loss*	-	-	6,3%	7,4%
Related parties loans	2%	3,5%	1%	1%

\* Within financial assets at fair value through the profit or loss account, two loans in euro granted in 2024 and 2022 to subsidiaries are included.

The following table illustrates the annual interest rates obtained by the group for interest-bearing assets during 2023:

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

\* Financial assets at fair value through the profit or loss account include bonds issued in lei by a subsidiary and the euro loan granted in 2022 to a subsidiary.

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

<i>In RON</i>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents*	613.328.000	206.578.062
Bank deposits	20.937.614	19.527.751
Financial assets at fair value through profit and loss — Corporate bonds	-	37.612.296
Financial assets at fair value through profit and loss — loan granted	74.915.750	50.050.280
<b>TOTAL</b>	<b>710.424.965</b>	<b>313.768.389</b>

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

Impact on the group's net profit (on income/expenses from/on interest) a change of  $\pm 1,00\%$  in the interest rate on variable interest-bearing assets and liabilities denominated in other currencies in conjunction with a change of  $\pm 1,00\%$  in the interest rate on floating interest-bearing assets and liabilities denominated in lei is lei 362.317 (31 december 2023: lei 160.022).

In the case of bonds that are evidenced at fair value (level 3) held, a variation in their market price of  $\pm 5\%$  results in a net impact in the amount of lei 0 (31 December 2023:  $\pm$  lei 1.410.461) in the profit or loss account.

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**(all amounts shown are in lei)**

*(iii) foreign exchange risk*

Foreign exchange risk is the risk of incurring losses or of not making the expected profit due to adverse exchange rate fluctuations. The group invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, thus it is exposed to the risk that the exchange rate of the national currency in relation to another currency will have adverse effects on the fair value or future cash flows of that portion of the financial assets and liabilities denominated in another currency.

The group performed transactions in the reporting periods in both Romanian (Leu) and foreign currency. The Romanian currency fluctuated compared to foreign currencies, THE EURO and the US dollar.

The financial instruments used enable the value of the monetary assets held in lei to be conserved by making investments and collecting interest on a maturity basis.

The group did not carry out any foreign exchange derivative transactions during the financial years submitted.

The Group's financial assets and liabilities in lei and currencies at 31 December 2024 and 31 December 2023 can be analyzed as follows:

*Financial assets and liabilities at foreign exchange risk (EUR/USD/GBP in RON)*

<i>In RON</i>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	410.620	204.466.193
Bank deposits	4.215.010	-
Financial assets at fair value through profit or loss account — (including assets held by investment funds)*	81.029.956	75.082.478
<b>TOTAL</b>	<b>85.655.586</b>	<b>279.548.671</b>
Loans	-	-
Debt from leases	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>
<b>Net financial assets</b>	<b>85.655.586</b>	<b>279.548.671</b>

\* Financial assets at fair value through the profit or loss account include loans in euro granted (in 2024 and 2022) to subsidiaries and foreign exchange holdings of closed investment funds in proportion to the group's holding in their net assets.

On December 31, 2024, the Group has fund units for alternative Investment Funds active Plus, Star value, optimal invest, Certinwest shares, FDI PLUS invest and Romania Strategy Fund. The group is exposed to foreign exchange risk in terms of investments made by these investment funds (financial instruments quoted on foreign markets, available or foreign currency investments).

On 31 December 2024 and 31 December 2023 respectively, the assets of private equity funds constituted mainly equity investments on a regulated market in Romania and other EU Member States.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

The following table shows the sensitivity of profit or loss as well as equity to possible changes at the end of the reporting period of foreign exchange rates in accordance with the reporting currency, keeping all other variables constant:

	31 december 2024		31 december 2023	
	The impact in the profit and loss account	Impact on other comprehensive income	The impact in the profit and loss account	Impact on other comprehensive income
Appreciation EUR 5% (2023: 5%)	218.422	-	1.048.308	-
Expected credit losses EUR 5% (2023: 5%)	(218.422)	-	(1.048.308)	-
<b>Total</b>	-	-	-	-

**(b) Credit risk**

Credit risk is the risk that a counterparty of a financial instrument fails to fulfill an obligation or financial commitment in which it has entered into a relationship with the group, resulting in a loss for the group. The group is exposed to credit risk as a result of investments in bonds issued by companies or the Romanian state, current accounts and bank deposits and other claims.

The group management shall closely and consistently monitor credit exposure so that it does not suffer losses as a result of the concentration of credit in a particular sector or sector of activity.

On 31 December 2024 and 31 December 2023, it has no collateral as insurance or other credit rating improvements.

On 31 December 2024 and 31 December 2023, the Group did not register outstanding financial assets, with the exception of some balances on various receivables and debtors which were considered impaired.

The group assessed the need to recognize expected credit losses in accordance with IFRS using the simplified expected credit loss model (ECL). The estimation was based on the probability of payment, risk exposure and expected loss analysis, taking into account the information available at the reporting date.

This analysis has led to the determination that expected credit losses do not have an impact on the financial statements. Compared to previous periods, there were no significant changes in the estimates of LECs that would justify further adjustments.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

The following are the financial assets with credit risk exposure:

<b>31 december 2024</b>	<b>Current accounts</b>	<b>Bank deposits</b>	<b>Loan granted</b>	<b>Bonds (measured at fair value through profit and loss account)</b>	<b>Other financial assets</b>	<b>Total</b>
AAA to A- rating						
AAA+						
BBB+	772.285	56.560.000	-	-	-	57.332.285
BBB	19.336		-	-	-	19.336
BBB-	791.265	253.282.000	-	-	-	254.073.265
BB+			-	-	-	
BBB	15.639	318.823.614	-	-	-	318.839.253
BB-	9.645.823	-	-	-	-	9.645.823
Ba1	193.370	-	-	-	-	193.370
No rating		5.600.000	80.733.990	-	54.104.542	140.438.532
<b>TOTAL</b>	<b>11.437.717</b>	<b>634.265.614</b>	<b>80.733.990</b>	<b>-</b>	<b>54.104.542</b>	<b>780.541.853</b>

<b>31 december 2023</b>	<b>Current accounts</b>	<b>Bank deposits</b>	<b>Loan granted (FVTPL)</b>	<b>Corporate bonds (FVTPL)</b>	<b>Other financial assets</b>	<b>Total</b>
AAA to A- rating						
BBB+	397.284	47.757.062	-	-	-	48.154.346
BBB	1.230.468	-	-	-	-	1.230.468
BBB-	24.676	206.768.052	-	-	-	206.792.728
BB+	14.306.255	165.500.000	-	-	-	13.581.010
BBB	-		-	-	-	-
BB-	50.964	-	-	-	-	50.964
Ba1	66.206		-	-	-	66.206
CAS NO: 135	89.706	-	52.034.667	38.185.926	37.869.832	128.180.131
<b>TOTAL</b>	<b>16.165.558</b>	<b>420.025.114</b>	<b>52.034.667</b>	<b>38.185.926</b>	<b>37.869.832</b>	<b>564.281.097</b>

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

The maximum exposure to the Group's credit risk is lei 780.541.853 at 31 December 2024 (December 31, 2023: Lei 564.281.097). The following tables show the most important components at risk:

*Exposure from current accounts and deposits placed with banks*

	<b>Credit rating</b>			<b>31 december 2024</b>	<b>31 december 2023</b>
BRD – Groupe Société Générale	BBB+	BRD – Groupe Société Générale	Fitch	12.786	9.417
Banca Transilvania	AAA+	Banca Transilvania	Fitch	247.789.127	166.225.245
The Romanian commercial Bank	BBB+	The Romanian commercial Bank	Fitch	56.910.854	41.425.969
Bank CEC	BBB-		Fitch	7.584.333	206.792.728
Bank of Greece	BBB+	EXIM Bank Romania	Fitch	311.254.920	6.718.960
Intesa Sanpaolo Romania*	BBB	Intesa Sanpaolo Italy	Fitch	19.336	20.384
ProCredit	BB+	ProCredit	Fitch	6.284.138	5.985.980
Raiffeisen Bank Romania	Ba1	Raiffeisen Bank Romania	Fitch	193.370	66.206
Credit Europe Bank	BB+	Credit Europe Bank	Fitch	9.575.622	7.595.030
UniCredit Tiriatic		UniCredit Tiriatic	Fitch	408.654	1.210.084
	BBB				
Libra Bank	BB-	Libra Bank	Fitch	70.202	50.964
Technotaking Bank	CAS			5.600.000	89.706
	NO:				
	135				
<b>TOTAL</b>				<b>645.703.331</b>	<b>436.190.672</b>

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

In view of the current structure of the placement in bank deposits and bonds, management does not estimate a significant impact from a credit risk perspective on the financial position of the Group.

Cash, cash equivalents and bank deposits are not in danger of being lost or reduced in value.



**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

**(c) liquidity risk**

Liquidity risk is the risk that the group will encounter difficulties in meeting its obligations arising from short-term financial liabilities, which go out of cash or other financial means, or that such obligations will be extinguished in a manner that is unfavorable to the group.

The group shall monitor the evolution of the level of liquidity so that it can meet its obligations on the date on which they become due and shall continuously analyze the assets and liabilities in relation to the remaining period until the contractual maturities.

The asset and liability structure was analyzed on the basis of the period remaining from the balance sheet date to the contractual maturity date, both on 31 December 2024 and on 31 December 2023, as follows:

<i>In ROL</i>	<b>Accounting value</b>	<b>Under 3 months</b>	<b>Between 3 and 12 months</b>	<b>More than 1 year</b>	<b>No pre-established maturity</b>
<b>31 december 2024</b>					
<b>Financial assets</b>					
Cash and cash equivalents	<b>628.813.111</b>	<b>628.813.111</b>	-	-	-
Bank deposits	<b>21.079.992</b>	-	21.079.992	-	-
Other financial assets measured at amortized cost	<b>1.257.518</b>	-	-	1.257.518	-
Financial assets at fair value through the profit and loss account	<b>1.753.626.278</b>	-	-	80.733.990	1.672.892.288
Financial assets measured at fair value through other comprehensive income	<b>2.274.160.300</b>	-	-	-	2.274.160.300
Other financial assets	<b>54.104.542</b>	15.948.582	521.683	15.426.899	22.207.379
<b>Total financial assets</b>	<b>4.733.041.741</b>	<b>644.761.693</b>	<b>21.601.675</b>	<b>97.418.407</b>	<b>3.969.259.967</b>
<b>Financial liabilities</b>					
Dividends to be paid	<b>9.816.738</b>	-	-	-	9.816.738
Other financial liabilities	<b>5.424.817</b>	5.424.817	-	-	-
<b>Total financial liabilities</b>	<b>15.241.556</b>	<b>5.424.818</b>	-	-	<b>9.816.739</b>
<b>Excess liquidity</b>	<b>4.717.800.185</b>	<b>639.336.875</b>	<b>21.601.675</b>	<b>97.418.407</b>	<b>3.959.443.229</b>
<b>31 december 2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	<b>417.878.500</b>	417.878.500	-	-	-
Bank deposits	<b>19.674.562</b>	19.674.562	-	-	-
Financial assets at fair value through the profit and loss account	<b>1.920.410.142</b>	573.630	52.034.667	37.612.296	1.830.189.549
Financial assets measured at fair value through other comprehensive income	<b>1.826.159.366</b>	-	-	-	1.826.159.366
Other financial assets	<b>39.345.642</b>	39.345.642	-	-	-
<b>Total financial assets</b>	<b>4.223.468.212</b>	<b>477.472.334</b>	<b>52.034.667</b>	<b>37.612.296</b>	<b>3.656.348.915</b>
<b>Financial liabilities</b>					
Dividends to be paid	<b>9.886.856</b>	9.886.856	-	-	-
Other financial liabilities	<b>17.386.795</b>	17.386.795	-	-	-
<b>Total financial liabilities</b>	<b>27.273.651</b>	<b>27.273.651</b>	-	-	-
<b>Excess liquidity</b>	<b>4.196.194.561</b>	<b>450.198.683</b>	<b>52.034.667</b>	<b>37.612.296</b>	<b>3.656.348.915</b>

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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

**5.2 other risks**

By the nature of the business, the group is exposed to different types of risks associated with the financial instruments and the market in which it invests. The main types of risks to which the Group is exposed are:

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

Risk management shall consider maximising the Group's profit in relation to the level of risk to which it is exposed.

The group uses a variety of policies and procedures to manage and assess the types of risk to which it is exposed. These policies and procedures are outlined in the sub-chapter on each type of risk.

**(A) the risk associated with taxation**

As of 1 January 2007, following Romania's accession to the European Union, the Group had to comply with EU regulations, and therefore prepared for applying the changes brought by European legislation. The group has implemented these changes, but the way they are implemented remains open to tax audit for 5 years.

Interpretation of the texts and practical implementation of the procedures of the new tax rules applicable could vary, and there is a risk that in some cases the tax authorities will take a different position from that of the Group.

In terms of income tax for the financial year 2015, there is a risk that tax bodies will interpret the accounting treatment of the transition to IFRS as an accounting basis differently.

The group chose to prescribe dividends distributed and not charged for 3 years by the shareholders and to register them in the account of other separate analytical reserves. According to the provisions of the Civil Code, the prescription applies to the right to request enforced execution, not to the ownership of the amounts. Given that the transfer of these amounts, already taxed in the sphere of both corporate and dividend tax, back to equity is a transaction with shareholders, not a taxable transaction. Consequently, the Group did not recognize a deferred tax on these amounts. Under these circumstances, there is a risk that tax authorities might interpret these transactions differently.

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

**(B) the risk associated with the economic environment**

The Group's management cannot predict all the effects of international economic developments with an impact on the financial sector in Romania, but considers that in 2024 it has taken the necessary measures to ensure the sustainability and development of the Group under the prevailing financial market conditions, by monitoring cash flows and the adequacy of investment policies.

Risk avoidance and mitigation shall be provided by the group through an investment policy that complies with the prudential rules required by applicable legal and regulatory provisions.

The Group has adopted risk management policies that achieve active risk management, with specific risk identification, assessment, measurement and control procedures in place that provide reasonable assurance as to the achievement of the Group's objectives, a constant balance between risk and expected profit has been sought.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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The aim of the risk management process is to: (i) identify and assess significant risks with a major impact in achieving the investment objective and develop activities to address the identified risk; (ii) adapt risk management policies to financial developments in the capital market, monitor performance and improve risk management procedures; (iii) review investment decisions in line with capital and money market developments; (iv) comply with existing legislation.

Aggressive measures taken by the main central banks (Federal Reserve, European Central Bank, etc.) in the direction of inflation moderation and uncertainties about the short- and medium-term impact of these measures in macroeconomic developments have led to a high volatility in key capital markets. The lack of visibility in central banks' attitude toward these externalities, the necessary level of successive increases in interest rates and their impact on global demand are the main challenges in the management of the asset portfolio in 2024.

**(c) operational risk**

Operational risk is the risk of direct or indirect losses resulting from deficiencies or deficiencies in the procedures, personnel, internal systems of the Group or from external events that may have an impact on its operations. Operational risks derive from all activities of the Group.

The objective of the group is to manage operational risk in a way that can limit its financial losses, not tarnish its reputation and achieve its investment objective of generating benefits for investors.

The Management Board shall have primary responsibility for the implementation and development of operational risk control. This responsibility is supported by the development of general operational risk management standards, which encompass controls and processes at service providers and service commitments with service providers.

**(D) capital adequacy**

Management's capital adequacy policy shall focus on maintaining a sound capital base to support the continued development of the Group and the achievement of the Investment objectives.

The group's own equity includes share capital, different types of reserves and retained earnings. The capital was 4.521.159.380 on December 31, 2024 (lei 4.050.348.420 on December 31, 2023).

**Significant accounting and judgment**

Management discusses the development, selection, presentation and implementation of accounting policies with material impact and estimates. All these are approved at the meetings of the company's board of directors. These disclosures complement the information on financial risk management (see note 5.1).

**Key sources of uncertainty of estimates**

Material-impact accounting judgments for the implementation of the Group's accounting policies include:

**The application of the amendments to IFRS 10 Investment entities**

The criteria in IFRS 10 for classification as an investment entity are met, i.e.:

- a) obtain funds from one or more investors in order to provide investment management services to them;
- b) commits to its investors that the purpose of its business is to invest funds only for gains on the value of the investment, investment income or both; and
- c) Quantify and measure the performance of almost all of its investments on a fair value basis (IFRS 10.27).

The Group thus applies the IFRS 10 — Investment entities from the financial year 2018.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
***(all amounts shown are in lei)***

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In addition, Lion parent capital also has other characteristics specific to an investment entity, namely:

*(a) Services related to investment*

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

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

*(b) The purpose of the activity*

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

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

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

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

*(c) Exit strategies*

Lion capital S.A. operates a complex portfolio composed of the following main categories of financial instruments: Shares, bonds and units. The Lion capital-parent intends to keep the majority of its investments (financial and non-financial) for a defined period of time, and for this purpose has defined and implemented an exit strategy for them.

The Lion capital-parent shall apply an exit strategy tailored to the specific nature of each individual investment, defined on the basis of the following elements: The strategy applied, the investment objectives and the conditions (triggers) of the exit transaction. The differentiated approach taken by the company for each of its participations aims at exploiting an aggregate return (generated by dividend and capital gains).

*(d) Fair value measurement*

As of 1 January 2018, the parent Lion capital has measured almost all the investments in its portfolio at fair value.

For the purposes of paragraph 40, the following terms shall be used: The assessment is carried out by assessors authorized by the national Association of authorized assessors from Romania (ANEVAR).

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**(all amounts shown are in lei)**

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

Since the parent Lion capital became an investment entity, the Group has accounted for the change in its status as a 'determined disposal' or a 'loss of control' over its subsidiaries as presented in the consolidated financial statements in accordance with IFRS. The fair value of the investment at the date of the change in status shall be used as consideration received when applying the requirements in IFRS 10. 'Gains or losses on financial assets and liabilities designated at fair value through profit or loss' shall include gains or losses on financial assets and liabilities designated at fair value through profit or loss by instrument at fair value through profit or loss.

Lion capital-parent measures all its subsidiaries at fair value through the profit or loss account, except FOR ITS subsidiaries Muntenia invest SA and the management of its real estate, which will continue to be consolidated. Thus, Lion capital will prepare two sets of financial statements: *Separate and consolidated financial statements in accordance with the requirements of IFRS 10 and IAS 27.*

How investments in the parent's financial statements are presented as an investment entity will consider both the requirements of IFRS 10 and IFRS 9 for the classification and measurement of financial instruments held by the company, as follows:

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

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

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

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

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

- Government and corporate bonds – at fair value through other comprehensive income, as a result of documenting the hold to collect & sell business model and passing the SPI test;

- Corporate bonds issued by subsidiaries and associates — at fair value through the profit or loss account, which are treated in a consistent manner with the method for measuring subsidiaries and associates, following the requirements of IFRS 10 paragraph 31 and the business model of the company, in line with the exit strategy for those investments; and

- Corporate bonds other than those issued by subsidiaries and associates - at amortized cost, consistent with those detailed in Section B.1, point iv) "*investments in debt instruments (bonds)*".

(vii) *investments in units* will be classified at fair value through the profit or loss account, which are ineligible for the irrevocable choice to present them in other changes in comprehensive income. According to IFRS 9, even if investments in such instruments may be treated as equity investments for accounting purposes, they do not meet the definition of equity as required by IAS 32.

(viii)

*(f) Presentation of information*

For each subsidiary which has not been consolidated in the financial statements, the parent Lion capital shall disclose: The filial name and the percentage of ownership in the share capital.

If the parent Lion capital or one of its subsidiaries has provided financial or other support to a filale that has not been consolidated in the financial statements (e.g. acquisitions of assets, financial instruments issued by that subsidiary), it shall provide information on the type and amount of support granted.

The above information was presented in note 3.

**Expected credit losses on receivables**

The expected credit loss measurement of the receivables shall be carried out on an individual basis and shall be based on the management's best estimate of the present amount of cash flows expected to be received. For the estimation of these flows, the management shall make certain estimates of the

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
***(all amounts shown are in lei)***

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financial situation of the counterparty. Each impaired asset is analyzed individually. The accuracy of expected credit losses depends on the estimation of future cash flows for specific counterparties.

***Determination of the fair value of financial instruments***

The fair value of financial instruments that are not traded on an active market is determined using the valuation techniques described in accounting policy 4(d)(iii). For financial instruments that are rarely traded and for which there is no price transparency, fair value is less objective and is determined using different levels of estimates of liquidity, concentration, uncertainty of market factors, price assumptions and other risks affecting that financial instrument.

The group uses the following hierarchy of methods for the calculation of fair value:

- Level 1: The market price quoted on an active market for an identical instrument.
- Level 2: Valuation techniques based on observable elements. This category includes instruments measured using: The quoted market price on active markets for similar instruments; quoted prices for similar instruments on markets considered to be less active; or other valuation techniques in which the items can be directly or indirectly observable from market statistics.
- Level 3: Valuation techniques based largely on unobservable elements. This category includes all instruments for which the valuation technique includes items that are not based on observable data and for which unobservable inputs may have a significant effect on the valuation of the instrument. This category includes instruments that are valued on the basis of quoted prices for similar instruments but for which adjustments based largely on unobservable data or estimates are required to reflect the difference between the two instruments.

The concentration risk to which the Group is exposed is presented in Note 5.1(a)(I), which includes the structure of exposures to the main CAEN sectors on 31 December 2024 and 31 December 2023 respectively.

The fair value of financial assets and liabilities that are traded on active markets is based on prices quoted on the market or prices quoted by intermediaries. For all other financial instruments, the group shall determine fair value using measurement techniques. Valuation techniques shall include present net value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation techniques. The assumptions and data used in valuation techniques shall include risk-free interest rates and reference rates, credit spreads and other premiums used to estimate discount rates, bond and capital yields, foreign exchange rates, capital price indices, volatility and forecast correlations. The purpose of measurement techniques is to determine the fair value that reflects the price of financial instruments at the reporting date, a price that would be determined on objective terms by market participants.

The group uses recognized valuation models to determine the fair value of simple financial instruments that use only observable market data and require very few estimates and management analyzes (e.g. instruments that are valued on the basis of quoted prices for similar instruments and for which no adjustments based on unobservable data or estimates are required to reflect the difference between the two instruments). Observable prices and model inputs are usually available on the market for capital instruments. Their availability reduces the need for management estimates and analyzes and the uncertainty associated with determining fair value. The availability of observable market prices and inputs varies across products and markets and is subject to changes stemming from specific events and general conditions of financial markets.

For shares that do not have a quoted market price in an active market, the group shall use valuation models that are usually derived from known valuation models. Some or all of the material inputs to these models may be unobservable in the market and are derived from market prices or estimated on the basis of assumptions. Valuation models that require unobservable inputs require a higher degree of management analysis and estimation for determining fair value. The analysis and estimation by management shall, in particular, take into account the selection of the appropriate valuation model, the determination of the future cash flows of the financial instrument, the probability of default by the counterparty and advance payments and the selection of appropriate discount rates.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

For financial instruments for which there is no active market (level 3), fair value has been determined by external valuers using valuation techniques that include net present value techniques, discounted cash flow method, the method of comparisons with similar instruments for which there is an observable market price. Valuation techniques have been used consistently and there are no changes in their application.

In 2024, valuation methods were maintained for unlisted and listed equity but which do not meet criteria to be considered an active market according to IFRS 13.

However, the impending changes in those assumptions on financial markets in general and individually assessed issuers may be favorable or unfavorable to fair values in future financial years.

The Group's management reviewed the situation between the date of completion of the valuation reports and the date of authorization for the publication of the annual financial statements, concluding that there is no publicly available information of such a nature that it could significantly impact the fair values of holdings presented in these consolidated annual financial statements.

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

<b>31 december 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through the profit and loss account — shares	438.814.359	-	916.863.520	1.355.677.879
Financial assets at fair value through profit and loss account — fund units	-	317.152.515	-	317.152.515
Financial assets at fair value through profit and loss account — loans granted	-	-	80.733.990	80.733.990
Financial assets at fair value through other comprehensive income — shares	2.176.680.651	77.050.702	20.428.949	2.274.160.302
Investments in real estate	-	-	31.887.961	31.887.961
Assets held for sale	-	-	64.940.084	64.940.084
Land and buildings	-	-	4.431.356	4.431.356
<b>TOTAL</b>	<b>2.615.495.010</b>	<b>394.203.217</b>	<b>1.119.347.755</b>	<b>4.129.045.982</b>

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

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

In 2024 there were the following transfers between fair value levels (holding in Grand Hotel Bucharest). The holding has been reclassified from tier 1 to tier 2 of the market value hierarchy, given the absence of an active market for this financial instrument.

	Level 1	Level 2	Level 3
<b>Book value as at 1 January 2024</b>	<b>62.912.186</b>	-	-
Transfers to level 2	(62.912.186)	62.912.186	-
Gains or losses on the period included in profit or loss	-	(6.929.786)	-
Acquisitions/share capital participation	-	21.068.302	-
Sales	-	-	-
<b>Book value as at 31 December 2024</b>	<b>-</b>	<b>77.050.702</b>	<b>-</b>

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

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

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



**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

The following table shows the reconciliation from the original balance to the final balance for financial assets measured at fair value, investments in real estate and assets held for sale, level 3 of the fair value hierarchy:

<b>2024</b>	<b>Financial assets measured at fair value through other comprehensive income — shares</b>	<b>Financial assets measured at fair value through profit or loss account — shares</b>	<b>Investments in real estate</b>	<b>Assets held for sale</b>
<b>Balance as at 1 January 2024</b>	<b>20.132.475</b>	<b>921.294.236</b>	<b>33.745.945</b>	<b>64.940.084</b>
profit and loss account	-	52.926.827	596.250	-
other comprehensive income	251.113	-	-	-
Purchases/entries	471.720	61.350.001	481.051	-
The value of the disposed participations	(426.359)	(118.645.647)	(2.935.285)	-
<b>Balance as at 31 December 2024</b>	<b>20.428.949</b>	<b>916.925.416</b>	<b>31.887.960</b>	<b>64.940.084</b>

<b>2023</b>	<b>Financial assets measured at fair value through other comprehensive income — shares</b>	<b>Financial assets measured at fair value through profit or loss account — shares</b>	<b>Investments in real estate</b>	<b>Assets held for sale</b>
<b>Balance as at 1 January 2023</b>	<b>17.953.265</b>	<b>843.587.600</b>	<b>31.210.876</b>	<b>46.792.387</b>
profit and loss account	-	99.186.419	16.533.768	-
other comprehensive income	4.538.494	-	-	-
Purchases/entries	-	18.843.009	-	-
The value of the disposed participations	(2.359.284)	(40.322.793)	-	-
Transferred to assets held for sale	-	-	(13.998.699)	18.147.697
<b>Balance as at 31 December 2023</b>	<b>20.132.475</b>	<b>921.294.236</b>	<b>33.745.945</b>	<b>64.940.084</b>

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

At the value resulting from the valuation of equity investments, a sensitivity analysis was carried out by estimating risk variations on the main influence factors. Two valuation techniques have been used, namely:

(1) *valuation on an updated net cash-flow basis* - thus both the EBITDA values and the weighted average cost of capital values have been altered statistically by +/-5 % (2023: +/-5%), considered as a risk limit, obtaining values per share and hence the equity of the company with a deviation from the standard value. These deviations from the standard value influence the profit and loss account and other comprehensive income (net tax) items.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

<b>2024</b>		
<b>Change in the Global element variable</b>	<b>Impact on profit or loss account</b>	<b>Impact on other comprehensive income</b>
Increase EBITDA by 5%	6.391.848	12.744.366
Decrease EBITDA by 5%	(6.391.848)	(12.744.366)
Increase WACC by 5%	9.061.532	12.781.462
Decrease WACC by 5%	(9.061.532)	(12.781.462)

<b>2023</b>		
<b>Change in the Global element variable</b>	<b>Impact on profit or loss account</b>	<b>Impact on other comprehensive income</b>
Increase EBITDA by 5%	7.504.829	2.556.029
Decrease EBITDA by 5%	(7.507.276)	(2.556.029)
Increase WACC by 5%	8.776.631	2.430.293
Decrease WACC by 5%	(7.583.174)	(2.177.444)

(2) *net asset valuation corrected* - both the values of the assets and the values of the liabilities (liabilities) have been modified by +/-5% (2023: +/-5%), obtaining values per share and equity of the company, deviating from the standard value. These deviations from the standard value influence the profit and loss account and other comprehensive income (net tax) items.

<b>2024</b>		
<b>Change in the Global element variable</b>	<b>Impact on profit or loss account</b>	<b>Impact on other comprehensive income</b>
Increase of assets by 5%	40.154.310	6.378.101
Reduction of assets by 5%	(40.154.310)	(6.378.101)
Increase of debts by 5%	(4.275.629)	(3.179.453)
Debt write down by 5%	4.275.629	3.179.453

<b>2023</b>		
<b>Change in the Global element variable</b>	<b>Impact on profit or loss account</b>	<b>Impact on other comprehensive income</b>
Increase of assets by 5%	28.625.601	17.640.440
Reduction of assets by 5%	(28.625.601)	(17.640.440)
Increase of debts by 5%	(2.347.498)	(32.185)
Debt write down by 5%	2.347.498	32.185

A sensitivity analysis was performed at the value resulting from the assessment of the background units. These funds generally invest in highly liquid shares and bonds. As such, the sensitivity analysis was carried out considering a variation of +/- 10% in the market prices of equity instruments. These changes influence the profit and loss account (net tax) with the amount of lei +/- 31.715.251 at 31 December 2024 (31 December 2023: Lei +/- lei 39.573.279).

At the value resulting from the valuation of investments in real estate, a sensitivity analysis was carried out by estimating risk variations on the main influence factors. Two valuation techniques have been used, namely:

valuation based on updated net cash-flow - thus the estimated income values of these investments in real estate have been modified +/-5%. These deviations from the standard value affect the profit and loss account (net of tax).

valuation based on market value - thus, the values of the market prices estimated to be obtained from these investments in real estate have been modified +/-5 %. These deviations from the standard value affect the profit and loss account (net of tax).

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
*(all amounts shown are in lei)*

**2024**

<b>Change in the Global element variable</b>	<b>Impact on profit or loss account</b>
Revenue increase by 5%	-
Income reduction by 5%	-
Increase market value by 5%	1.594.398
Decrease of market value 5%	(1.594.398)

**2023**

<b>Change in the Global element variable</b>	<b>Impact on profit or loss account</b>
Revenue increase by 5%	35.908
Income reduction by 5%	(35.908)
Increase market value by 5%	718.171
Decrease of market value 5%	(718.171)

The management considers that a presentation in the manner described above is useful for determining directions of action useful in risk management.

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

The details of the classification of the Group's financial assets and liabilities are set out in note 7.

***Determining the fair value of investments in real estate***

The fair value of investments in completed property is determined using the income method with explicit assumptions about the property's benefits and liabilities over the life of the asset including an exit or close-out value. As a method accepted under the income approach for valuation, the method of capitalization of income on property shares is used. For the projected series of cash flows, a market-derived capitalization rate is applied to determine the current amount of cash flows associated with the property.

The specific revenues and the timing of entries and exits are determined by events such as rental revision, renewal of the lease and related rental periods, re-rental, refurbishment or renovation. The appropriate duration is usually determined by market behavior. In the case of investments in real estate, estimated revenue as gross income minus empty spaces, sunk expenses, collection losses, rental incentives, maintenance costs, costs of agencies and commissions and other operating and management expenses.

For the years ending on 31 December 2024 and 2023, the Group obtained valuation reports on its investments in real estate. The fair value of investments in real estate is based on these measurements.

For all investment property, the current usage is equivalent to the highest and best use. In the event of outsourcing the preparation of evaluation reports, the Group shall review the independent evaluators' assessments for financial and reporting purposes.

IFRS 13 defines fair value as the price that would have been received if an asset was sold or paid to transfer a liability in a normal transaction between market participants at the measurement date.

The group now presents fair values according to a "fair value hierarchy" (according to IFRS 13) that classifies inputs used in three-tier valuation techniques. The hierarchy gives the highest priority (level 1) to prices listed in active markets for identical assets or liabilities and the lowest priority (level 3) of immaterial inputs. The different levels of the fair value hierarchy are explained below:

Level 1: Prices listed (unadjusted) in active markets for identical assets or liabilities that the group can access at the valuation date;

Level 2: Use of an input model (other than prices included in level 1) that are directly or indirectly observable market data, and

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
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— Level 3: Use of a model with inputs that are not based on observable data.  
The Group's real estate investments are classified as level 3. There were no transfers between the levels of the hierarchy during the year.

Information on measuring fair value using significant unobservable inputs (level 3) for 2024 and 2023 is given in the tables below:

**31 december 2024**

<b>Segments</b>	<b>The method of evaluation</b>	<b>Estimated rent value – Euro/sqm</b>	<b>Capitalization rates %</b>
Commercial and services – buildings	Income method	16 to 18 euro/sqm	8 – 11,5%

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**31 december 2023**

<b>Segments</b>	<b>The method of evaluation</b>	<b>Estimated rent value – Euro/sqm</b>	<b>Capitalization rates %</b>
Commercial and services – buildings	Income method	14 - 16 euro/sqm	9 – 10,5%

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

**6 Financial assets and liabilities**

The table below summarizes the accounting and fair values of the group's financial assets and liabilities as at 31 December 2024:

<i>In ROL</i>	Fair value assets through the profit and loss account	Fair value assets through other comprehensive income	Financial assets/liabilities measured at amortized cost	Total book value	Fair value
<b>Cash and cash equivalents</b>	-	-	<b>628.813.111</b>	<b>628.813.111</b>	<b>628.813.111</b>
Cash in cash and other amounts	-	-	4.737	4.737	4.737
Current accounts with banks	-	-	11.462.751	11.462.751	11.462.751
Bank deposits with original maturity of less than 3 months	-	-	617.345.624	617.345.624	617.345.624
<b>Bank deposits</b>	-	-	<b>21.079.992</b>	<b>21.079.992</b>	<b>21.079.992</b>
<b>Financial assets at fair value through the profit and loss account</b>	<b>1.753.626.278</b>	-	-	<b>1.753.626.278</b>	<b>1.753.626.278</b>
Shares	1.355.739.774	-	-	1.355.739.774	1.355.739.774
Fund units	317.152.515	-	-	317.152.515	317.152.515
Loans granted	80.733.990	-	-	80.733.990	80.733.990
Corporate bonds	-	-	-	-	-
<b>Financial assets measured at fair value through other comprehensive income</b>	-	<b>2.274.160.300</b>	-	<b>2.274.160.300</b>	<b>2.274.160.300</b>
Shares	-	2.274.160.300	-	2.274.160.300	2.274.160.300
<b>Financial assets at amortized cost</b>	-	-	<b>1.257.518</b>	<b>1.257.518</b>	<b>1.257.518</b>
<b>Other financial assets</b>	-	-	<b>54.104.542</b>	<b>54.104.542</b>	<b>54.104.542</b>
<b>Total financial assets</b>	<b>1.753.626.278</b>	<b>2.274.160.300</b>	<b>703.997.645</b>	<b>4.731.784.223</b>	<b>4.731.784.223</b>
Dividends to be paid	-	-	9.816.739	9.816.739	9.816.739
Other financial liabilities	-	-	5.424.817	5.424.817	5.424.817
Other liabilities and income recorded in advance	-	-	67.069.538	67.069.538	67.069.538
Lease liabilities	-	-	-	-	-
<b>Total financial liabilities</b>	-	-	<b>82.311.093</b>	<b>82.311.093</b>	<b>82.311.093</b>

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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

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

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

**7 Income from dividends**

In accordance with IFRS 9, and as a result of the group's choice to measure participations through other comprehensive income, dividends related to those participations are recognized in the income unless they represent substantially a return on the cost of the investment.

Dividend income shall be recorded gross. The tax rates for dividends for the financial year ended 31 December 2024 from resident and non-resident companies were 0%, 8% (2023: 0%, 5% and 27,5%). The breakdown of dividend income by main counterparties is set out in the table below:

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>	<b>Assessment</b>
Banca Transilvania SA	47.767.943	43.109.795	FVOCI
PLC real estate SIF	34.874.698	12.031.798	FLTPL
BRD-GSG SA	28.525.828	-	FVOCI
OMV Petrom SA	25.317.289	29.294.199	FVOCI
Biofarm SA	11.224.994	10.862.898	FLTPL
SIF Hotels	5.937.781		FLTPL
Conpet SA	3.818.984	3.868.165	FVOCI
Hydro-electric	3.147.750		FVOCI
Bucharest stock Exchange SA	638.541	530.461	FVOCI
The Central Depository	160.91		FVOCI
Logistic CJ SIFI	22.884	-	FVOCI
Other	582	1.003.977	FVOCI
Erste Group Bank AG*	-	7.503.480	FVOCI
Iamu SA	-	3.861.240	FLTPL
Vrancart SA	-	9.086.15	FLTPL
Azuga SA*	-	763.276	FLTPL
<b>TOTAL</b>	<b>161.438.194</b>	<b>121.915.413</b>	
FVOCI	109.400.721	85.310.077	
FLTPL	52.037.473	36.605.336	

***FVTPL** = financial assets at fair value through profit or loss/**FVTOCI** = financial assets at fair value through other comprehensive income*

*\*Full sale of the package in 2024 / 2023*

**8 Interest income**

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

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
Interest income on bank deposits and current accounts	31.785.939	7.941.984
Interest income on bonds valued at amortized cost	13.993	-
	<b>31.799.932</b>	<b>7.941.984</b>

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
Interest income on bonds	629.561	3.252.690
Interest income related to share sale contract	1.043.198	611.369
Interest income related to loan contracts	3.834.604	5.836.750
	<b>5.507.363</b>	<b>9.700.808</b>

**9 Other operating income**

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
Income from management activity (IAS Muntenia and real estate management SA)	45.124.940	52.281.508
Rental income	366.690	227.029
Other operating income	825.344	785.141
	<b>46.316.974</b>	<b>53.293.677</b>

In 2024, the most significant revenues are represented by THE administration revenues OF MUNTENIA ARE 43.186.939 lei ( 2023: 50.226.268 lei) and they include the monthly fund management fee and the performance fee.

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

**10 Gain/loss on investments in real estate**

	<b>31 december 2024</b>	<b>31 december 2023</b>
<b>Balance 1 January</b>	<b>33.745.945</b>	<b>31.210.877</b>
Inputs, of which:	481.051	-
Procurement	481.051	-
In progress		
Transferred to tangible assets and inventory	-	-
Transferred from fixed assets in progress	-	-
Transfer to assets held for sale	-	(13.998.699)
Outputs	(2.935.285)	-
The effect of the change in fair value	596.250	16.533.768
<b>Balance end of period</b>	<b>31.887.961</b>	<b>33.745.945</b>

The assessment on 31 December 2024 and 2023 was carried out by assessors authorized by the national Association of authorized assessors of Romania (ANEVAR).



**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

**11 Net gain/loss on financial assets at fair value through the profit and loss account**

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
Gain/(loss) from the valuation/redemption of the fund units	26.419.773	72.606.345
Bond valuation gain/loss	(737.496)	-
Gain/loss on the measurement of shares in subsidiaries and associates	(46.282.399)	221.674.497
<b>Total</b>	<b>(20.600.123)</b>	<b>294.280.842</b>

On December 31, 2024, the valuation of the fund units resulted in a gain of lei 26,4 million (on December 31, 2023: Lei 72,6 million).

The result from the fair value measurement of shares in subsidiaries and associates on 31 December 2024 is unfavorable in lei 46.3 million (loss of lei 6.4 million in the measurement of subsidiaries and losses lei 39.8 million in the measurement of associates). A subsidiary (Azuga Tourism S.A) was sold during 2024.

The result from the fair value measurement of shares in subsidiaries and associates on 31 December 2023 is favorable in the amount of lei 246.4 million (gain of lei 146.3 million from the valuation of subsidiaries and gain of lei 75.3 million from the valuation of associated entities). A subsidiary (Central S.A) was sold during 2023.

**12 Commission expenses**

<i>In ROL</i>	<b>2024</b>	<b>2023</b>
Fees the Financial Supervisory Authority	4.152.485	3.299.707
Deposit commissions	1.329.043	1.149.201
Commissions due for transactions	-	291.813
Fees register	218.732	260.979
Other commissions	68.421	66.594
<b>Total</b>	<b>5.768.681</b>	<b>5.068.294</b>

**13 Other operational expenditure**

<i>In ROL</i>	<b>2024</b>	<b>2023</b>
Other taxes, duties and similar charges	1.020.398	941.844
Expenditure on salaries and other staff expenditure	35.385.862	29.436.948
Depreciation charges	915.424	914.001
Expenditure on external benefits	9.421.811	7.764.116
<b>Total</b>	<b>46.743.495</b>	<b>39.056.909</b>

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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

	<b>2024</b>	<b>2023</b>
Wages and salaries	30.484.254	25.653.352
Stock option plan expense	3.179.550	2.315.317
This appropriation is intended to cover the cost of the purchase, purchase, or	882.883	781.171
Other staff expenditure	839.175	687.108
<b>Total</b>	<b>35.385.862</b>	<b>29.436.948</b>

The fee paid to the auditors during 2024 for the audit of the financial statements was lei 488.649 (lei 2023: 426.864), of which for the audit of the individual financial statements (parent company and subsidiaries) lei 393.893 (lei 2023: Lei 331.512), for the consolidated financial statements lei 53.300 (2023: 60.041 lei), additional expenses 41.456 lei (2023: 35.312 lei) and for non audit services 0 lei (2023: 0 lei). The amounts include VAT.

**14 Income tax**

	<b>2024</b>	<b>2023</b>
Current income tax (16%)	10.565.135	20.658.373
Income tax (1%)	-	-
Dividend tax (0%, 5%)	8.752.011	8.287.516
Financial assets at fair value through other comprehensive income	-	-
Financial assets at fair value through the profit and loss account	-	-
Tangible assets/real estate investments	(377.386)	(2.031.661)
Provisions for risks and expenses and adjustments on receivables & inventories	(342.176)	(142.656)
<b>Total income tax recognized as a result of the year</b>	<b>18.597.585</b>	<b>26.771.572</b>

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

	<b>2024</b>	<b>2023</b>
Profit before tax	<b>170.734.299</b>	<b>459.671.201</b>
Tax according to statutory tax rate	27.236.149	73.547.392
<b>Effect on corporate tax of:</b>		
Dividend tax (0%, 5%)	8.752.011	8.287.516
Non-deductible expenses and similar items	32.064.891	12.276.892
Non-taxable income	(48.444.596)	(65.444.202)
Similar items to income	2.263.089	28.306.377
Similar items to expenses	(2.738.405)	(1.189.926)
Tax loss to be recovered	-	(1.614.775)
Deferred tax	(719.562)	(2.174.317)
The amounts of sponsorship within legal limits and other deductions	(291.309)	(1.051.513)
Tax recognized in retained earnings	475.316	(24.171.871)
<b>Income tax</b>	<b>18.597.585</b>	<b>26.771.572</b>

Non-deductible expenses on which the effect of corporate tax has been calculated include principally unfavorable differences in the fair value measurement of holdings where the holding is more than 10% for a continuous period of more than 1 year.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

Non-taxable income mainly includes dividend income from Romanian legal entities and fair value measurement income from holdings where the holding is more than 10% for a continuous period of more than 1 year.

With effect from 1 January 2014, the amendments to the tax Code that include non-taxable income in the calculation of corporate tax, together with dividend income, as well as income from the sale/divestment of shareholdings and liquidation proceeds, have entered into force. Whether the legal persons in which the shareholdings are held are Romanian or foreign legal persons, from States with which Romania has double taxation agreements (including from outside the EU). Such income is non-taxable if certain conditions are met (if at the date of sale/transfer of units or the commencement of the winding-up operation the minimum period of one year of uninterrupted holding of a minimum holding of 10 % is reached).

**15 Cash and cash equivalents**

	<b>31 december 2024</b>	<b>31 december 2023</b>
In ROL		
Cash in cash and other amounts	4.737	5.701
Current accounts with banks (including interest receivable)	11.462.751	10.218.777
Deposits with banks with original maturity of less than 3 months	617.345.624	407.654.022
<b>Total cash and cash equivalents</b>	<b>628.813.111</b>	<b>417.878.500</b>

Current accounts with banks and bank deposits are at all times available to the Group and are not restricted.

**16 Bank deposits**

	<b>31 december 2024</b>	<b>31 december 2023</b>
In ROL		
Deposits with banks with original maturity over 3 months	20.937.614	19.527.751
Interest on deposits	142.378	146.811
<b>Total</b>	<b>21.079.992</b>	<b>19.674.562</b>

**17 Financial assets at fair value through the profit and loss account**

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
Shares measured at fair value	1.355.739.774	1.434.456.758
Units measured at fair value	317.152.515	395.732.790
Loans to subsidiaries (including interest attached)	80.733.990	52.034.667
Corporate bonds (including interest attached)	-	38.185.926
<b>Total</b>	<b>1.753.626.278</b>	<b>1.920.410.142</b>

The shares measured at fair value through the profit and loss account include subsidiaries (unconsolidated) of lei 1.097.140.916 (2023: Lei 1.136.089.171) and associates of lei 258.535.962 (2023: Lei 298.367.587).

In March 2024, the Vrancart bond matured. In 2024, fund units were bought again for a total value of lei 105 million.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

The fair value of investments in subsidiaries is shown below:

	31 december 2024	31 december 2023
<b>Measured at fair value through the profit and loss account</b>		
SIF REAL ESTATE PLC NICOSIA	441.742.722	429.656.276
SIF1 IMGB SA BUCHAREST	272.410.021	256.400.000
NAPOMAR SA CLUJ-NAPOCA	19.903.254	20.284.793
SIF HOTELS SA ORADEA	21.615.941	95.959.124
AZUGA TOURISM SA BUCHAREST	-	19.923.852
IAMU SA BLAJ	85.111.606	91.048.349
VRANCART SA	180.277.396	214.794.935
SIF SPV THREE S.A	64.205.645	-
SIF SPV FOUR S.A.	145.834	-
SIF SPV TWO SA BUCHAREST	10.385.117	6.068.237
UNITEH SA BUCHAREST	-	625.333
SIFI CJ LOGISTIC SA BUCHAREST	1.343.380	1.327.606
<b>Total</b>	<b>1.097.140.916</b>	<b>1.136.088.505</b>

Statement of investment funds in which units are held:

	31 december 2024	31 december 2023
ASSETS PLUS (alternative private equity Investment Fund)	82.052.945	203.771.710
OPTIMIZE NVEST (alternative private equity Investment Fund)	49.346.526	41.814.001
'Annex II	13.491.879	11.447.729
CENTINVEST SHARES (alternative open-ended Investment Fund)	125.090.505	98.972.942
ROMANIA STRATEGY FUND	46.984.060	39.539.760
PLUS INVEST	186.601	186.649
<b>Total</b>	<b>317.152.515</b>	<b>395.732.790</b>

The movement of financial assets measured at fair value through the profit and loss account in the year 2024 is shown below:

*In ROL*

	Shares	Fund units	Loans granted	Corporate bonds	Total
<b>1 january 2024</b>	<b>1.434.456.758</b>	<b>395.732.790</b>	<b>52.034.666</b>	<b>38.185.926</b>	<b>1.920.410.140</b>
Procurement	86.211.062	-	24.874.500	-	111.085.562
Sales	(118.645.647)	(105.000.001)	-	(36.874.800)	(260.520.448)
Change in interest receivable	-	-	3.833.853	(573.630)	3.260.223
Gain (loss)	(46.282.399)	26.419.725	(9.029)	(737.496)	(20.609.199)
<b>31 december 2024</b>	<b>1.355.739.774</b>	<b>317.152.514</b>	<b>80.733.990</b>	<b>-</b>	<b>1.753.626.278</b>

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

The share acquisitions made during 2024 include: Capital contributions to SIF SPV THREE, SIF SPV FOUR (in total amount of lei 61,3 million) and capital contribution to Vrancart (in total amount of lei 25 Mn). The share sales represent largely the value of the holding in Azuga Tourism S.A. lei 44.7 mn, sold in full. Also in 2024 the Group redeemed units of the total amount of lei 105 Mn.

*In ROL*

	Shares	Fund units	Loans granted	Corporate bonds	Total
<b>1 january 2023</b>	<b>1.205.656.817</b>	<b>363.088.921</b>	<b>135.340.462</b>	<b>38.313.019</b>	<b>1.742.399.219</b>
Procurement	18.842.890	-	-	-	18.842.890
Sales	(49.553.410)	-	(86.065.648)	-	(135.619.058)
Change in interest receivable	-	-	2.411.396	(127.092)	2.284.304
Gain/(loss)	259.510.461	32.643.869	348.455	-	292.502.786
<b>31 december 2023</b>	<b>1,434,456,758</b>	<b>395,732,790</b>	<b>52,034,666</b>	<b>38,185,926</b>	<b>1,920,410,140</b>

The share acquisitions made during 2023 include shares in Lion capital IAMU S.A.

The share sales represent largely the value of the shareholding in Central S.A, which is sold in full. Also in 2023 Lion capital SIF SPV TWO SA repaid lei 86 million as part of the loan granted in 2022.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
*(all amounts shown are in lei)*

**18 The hierarchy analysis of the fair value of financial instruments**

31 december 2024

Financial assets	Fair value 31/12/24	Assessment technique	Input data used		Unobservable input data	Weighted average cost of capital		Capitalization rate		Sensitivity
						Standard values	Lime vs standard value	Standard values	Lime vs standard value	
<b>Financial investments, dd.c:</b>	<b>937.292.468</b>									
<b>non-listed or no active market majority ownership</b>	<b>126.630.801</b>	income approach - discounted cash flow method	Turnover, EBITDA for each major holding	Variation +/- 5 % from the standard value	Weighted average cost of capital	9,1%-13,4% (for 5 companies) and 27% (for 1 company)	Variation +/- 5 % from the standard value			The increase in EBITDA (influenced by revenue growth and/or cost decreases) and the decrease in wacc increases fair value and vice versa leads to a decrease in fair value
<b>non-listed or no active market majority ownership</b>	<b>790.232.719</b>	net asset-adjusted approach	Net assets corrected for each majority holding within the holding type	Variation +/- 5 % from the standard value of assets and liabilities	unit rent and capitalization rate for real estate investments (major influence net asset)			8%-11.5% when valuing fixed assets (majority share in total assets)	Variation +/- 5 % from the standard value	The growth of the net asset (influenced by the increase in the value of investment property) increases fair value and vice versa decreases fair value
	<b>5.881.013</b>	approach by market comparisons	similar transactions with company shares or comparable companies							
	<b>14.547.935</b>	net asset-adjusted approach	annual and half- yearly historical financial statements		Discount: Lack of liquidity, minority package, low profitability					
<b>Total</b>	<b>937.292.468</b>									

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

**The hierarchy analysis of the fair value of financial instruments**

31 december 2023

Financial assets	Fair value 31/12/23	Assessment technique	Input data used		Unobservable input data	Weighted average cost of capital		Capitalization rate		Sensitivity
						Standard values	Lime vs standard value	Standard values	Lime vs standard value	
Financial investments, dd.c:	941.426.711									
<b>non-listed or no active market majority ownership</b>	<b>227.216.118</b>	income approach - discounted cash flow method	Turnover, EBITDA for each major holding	Variation +/- 5 % from the standard value	Weighted average cost of capital	10,6%- 35,0%	Variation +/- 5 % from the standard value			The increase in EBITDA (influenced by revenue growth and/or cost decreases) and the decrease in wacc increases fair value and vice versa leads to a decrease in fair value
<b>non-listed or no active market majority ownership</b>	<b>694.087.129</b>	net asset-adjusted approach	Net assets corrected for each majority holding within the holding type	Variation +/- 5 % from the standard value of assets and liabilities	unit rent and capitalization rate for real estate investments (major influence net asset)			8% to 11% when valuing fixed assets (majority share in total assets)	Variation +/- 5 % from the standard value	The growth of the net asset (influenced by the increase in the value of investment property) increases fair value and vice versa decreases fair value
	<b>4.384.134</b>	approach by market comparisons	similar transactions with company shares or comparable companies							
	<b>15.739.331</b>	net asset-adjusted approach	annual and half- yearly historical financial statements		Discount: Lack of liquidity, minority package, low profitability					
<b>Total</b>	<b>941.426.711</b>									

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

**19 Financial assets at fair value through other comprehensive income**

The fair value of the shares for which the Group selected the option to reflect fair value accounting through other income on 31 December 2024 and 31 December 2023 is shown below, structured around the main sectors of economic activity. The group has chosen, at the time of transition to IFRS 9, i.e. initial recognition of new acquisitions, such disclosures required by IFRS 9, provided that this option is consistent with the investment strategy and horizon of the Group for these investments.

In ROL	31 december 2024	%	31 december 2023	%
Financial intermediation and insurance	1.859.179.679	81,8%	1.464.763.687	80,2%
Manufacturing	7.502.498	0,3%	9.290.036	0,5%
Hotels and restaurants	77.050.702	3,4%	62.912.186	3,4%
Wholesale and retail trade, repair of motor vehicles	206.465	0,0%	230.430	0,0%
Production and supply of energy, gas, water	27.450.000	0,8%	28.800.000	0,9%
Mining and quarrying	251.752.575	11,1%	203.994.153	11,2%
Financial services applicable to real estate	4.123.000	0,2%	5.707.100	0,3%
Construction	4.463.516	0,2%	4.377.211	0,2%
Transport and storage	42.431.866	1,9%	46.044.950	2,5%
Agriculture, forestry and fishing	-	0,0%	39.615	0,0%
<b>TOTAL</b>	<b>2.274.160.300</b>	<b>100,0%</b>	<b>1.826.159.366</b>	<b>100,0%</b>

Dividend income on shares measured at fair value through other comprehensive income is presented separately in Note 7.

The movement of financial assets measured at fair value through other comprehensive income in the year 2024 is shown in the following table:

In ROL	<b>Actions*</b>
<b>1 january 2024</b>	<b>1.826.159.366</b>
Procurement	83.373.322
Sales	(426.359)
Movement	365.053.969
<b>31 december 2024</b>	<b>2.274.160.300</b>

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

The stock entries in the year 2024, in the total amount of lei 83.3 Mn mainly include the acquisition of shares Grand Hotel Bucharest and infinity capital investments.

The movement of financial assets measured at fair value through other comprehensive income in the year 2023 is shown in the following table:



**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

*In ROL*

	<b>Actions*</b>
<b>1 january 2023</b>	<b>1.486.550.751</b>
Procurement	23.748.220
Sales	(183.810.181)
Movevement	499.670.577
<b>31 december 2023</b>	<b>1.826.159.366</b>

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

The stock entries in 2023, in a total amount of lei 23,7 Mn mainly include the acquisition of shares GRAND HOTEL BUCHAREST SA Bucharest and SpEEH HIDROELECTRICA SA.  
The share sales of lei 183.8 Mn mainly include the sale of the shares of Erste Group Bank AG that generated a gain of lei 1.436.069.

<i>In ROL</i>	<b>2024</b>	<b>2023</b>
<b>On 1 January</b>	<b>1.002.509.286</b>	<b>662.131.924</b>
Gains/losses on fair value measurement of financial assets measured at fair value through other comprehensive income	365.053.971	499.670.577
Profit/loss transferred to retained earnings on financial assets measured at fair value through other comprehensive income out of the portfolio	3.922.447	(106.766.363)
The related deferred income tax effect	(47.424.558)	(52.526.852)
<b>On 31 December</b>	<b>1.324.061.145</b>	<b>1.002.509.286</b>

During 2024 the gain of lei 3.922.447 (at 2023: Loss lei 106.766.363) is mostly the difference from marking to market accumulated until the date of disposal.

## **20 Other financial assets**

*In ROL*

	<b>31 december 2024</b>	<b>31 december 2023</b>
Trade receivables - net	21.500.612	35.887.200
VAT to be recovered	-	914.953
Advances to suppliers	9.885	100.091
Other claims — net	32.594.045	967.589
<b>Total</b>	<b>54.104.542</b>	<b>37.869.832</b>

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

**21 Assets held for sale**

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
<b>Period beginning balance</b>	<b>64.940.084</b>	<b>46.792.387</b>
Inputs, of which:	-	-
Purchases/facilities	-	-
Transfer from / (to) assets available for sale	-	18.147.697
Outputs	-	-
Effect of change in fair value	-	-
<b>Balance end of period</b>	<b>64.940.084</b>	<b>64.940.084</b>

**22 Other financial liabilities**

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
Commercial debts	1.960.917	12.985.659
Amounts owed to employees and related contributions	3.072.309	3.589.692
Taxes and duties	27.724	1.088
Other liabilities - short term	363.867	810.355
<b>Total</b>	<b>5.424.817</b>	<b>17.386.795</b>

The decrease in 2024 compared to 2023 is mainly due to the payment of the profit tax recorded in the 2023 balance, amounting to 8,5 Mn, on the line "taxes and duties".

**23 Deferred tax liabilities**

The assets and liabilities related to tax deferred on 31 December 2024 are generated by the items detailed in the following table:

	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
Financial assets at fair value through the profit and loss account	-	-	-
Financial assets at fair value through other comprehensive income	-	1.428.622.566	(1.428.622.566)
Tangible assets and investments in real estate	-	13.800.880	(13.800.880)
Asset value adjustments	7.640.914	-	7.640.914
Provisions for risks and charges	5.905.500	-	5.905.500
<b>Total</b>	<b>13.546.413</b>	<b>1.442.423.445</b>	<b>(1.428.877.032)</b>
Deferred tax liabilities			
Net temporary differences - 16% share			(228.620.327)
Net temporary differences - 10% share			
<b>Deferred tax liabilities</b>			<b>(228.620.327)</b>

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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

	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
Financial assets at fair value through the profit and loss account	-	-	-
Financial assets at fair value through other comprehensive income	-	1.127.996.570	(1.127.996.570)
Tangible assets and investments in real estate	-	7.193.732	(7.193.732)
Asset value adjustments	-	-	-
Provisions for risks and charges	-	(3.766.902)	3.766.902
<b>Total</b>	<b>-</b>	<b>1.131.423.401</b>	<b>(1.131.423.401)</b>
Deferred tax liabilities			
Net temporary differences - 16% share			(181.027.745)
Net temporary differences - 10% share			
<b>Deferred tax liabilities</b>			<b>(181.027.745)</b>

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

	<b>Value</b>
<b>Deferred tax liability 1 January 2023</b>	<b>137.029.193</b>
Tax with an impact on the profit and loss account	(2.102.285)
Impact asset valuation reserves measured by other comprehensive income	46.100.838
<b>Deferred tax liability 31 December 2023</b>	<b>181.027.745</b>
Tax with an impact on the profit and loss account	(719.561)
Impact asset valuation reserves measured by other comprehensive income	48.312.142
<b>Deferred tax liability 31 December 2024</b>	<b>(228.620.327)</b>

Deferred income tax liability movements table:

	<b>Article 01 01/2024</b>	<b>Gains/losses on the profit and loss account</b>	<b>Increases/decreases in other comprehensive income</b>	<b>Article 31 12/2024</b>
Financial assets at fair value through other comprehensive income	180.479.451	-	48.100.159	228.579.611
Tangible assets and investments in real estate	1.150.998	(377.386)	211.983	985.595
Provisions	(602.704)	(342.176)	-	(944.879)
Other assets	-	-	-	-
<b>Total</b>	<b>181.027.745</b>	<b>(719.561)</b>	<b>48.312.142</b>	<b>228.620.327</b>

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

	<b>Article 01 01/2023</b>	<b>Gains/losses on the profit and loss account</b>	<b>Increases/decreases in other comprehensive income</b>	<b>Article 31 12/2023</b>
Financial assets at fair value through other comprehensive income	134.375.136	-	46.104.316	180.479.451
Tangible assets and investments in real estate	3.111.045	(1.956.569)	(3.478)	1.150.998
Provisions	(460.048)	(142.656)	-	(602.704)
Other assets	3.060	(3.060)	-	-
<b>Total</b>	<b>137.029.193</b>	<b>(2.102.285)</b>	<b>46.100.838</b>	<b>181.027.745</b>

## 24 Capital and reserves

### (A) share capital

On December 31, 2024, the share capital of Lion capital S.A. is lei 50.751.006 being divided into 507.510.056 shares with a nominal value of lei 0,1 and is the result of direct subscriptions to Lion's share capital, by converting into shares the amounts due as dividends under law no 55/1995 and the effect of law 133/1996. On 31 December 2024, the number of shareholders was 5.735.100 (31 December 2023: 5.737.765).

The shares issued by Lion capital S.A are traded on the Bucharest stock Exchange since November 1999. The stock and shareholders register is kept by Lion capital depository Central S.A. Bucharest.

All shares are ordinary, subscribed and paid in full on 31 December 2024 and 31 December 2023. All the shares have the same voting rights and have a nominal value of lei 0,1/share. The number of shares authorized to be issued shall be equal to that of the shares issued.

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
Share capital	50.751.006	50.751.006
<b>Total</b>	<b>50.751.006</b>	<b>50.751.006</b>

### (B) retained earnings

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
This is the amount of Tier 1 instruments that an institution could be eligible to apply under the relevant national GAAP	422.323.709	422.323.709
IFRS 9.Appendix a; Annex V.Part 2.294-295, 296(a), 296(b)	397.555.180	401.889.895
Profit or loss for the year	152.118.901	432.815.498
Other recognized amounts in retained earnings (statutory reserves, revaluation reserves, tangible assets, etc.)	47.843.971	27.011.313
<b>Total</b>	<b>1.019.841.761</b>	<b>1.284.040.414</b>

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

**(c) other reserves**

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
Net profit reserves	1.863.082.223	1.445.827.091
Reserves created as a result of the application of Law No 133/1996	145.486.088	145.486.088
Prescribed dividend reserves	88.420.910	88.420.910
Exchange rate reserves and investment facilities	19.832.946	19.832.946
<b>Total</b>	<b>2.116.822.167</b>	<b>1.699.567.035</b>

The initial portfolio reserve was formed following the application of Law No 133/1996, as the difference between the value of the portfolio contributed and the value of the share capital subscribed to Lion capital S.A. These reserves are thus treated as a premium contribution and are not used for the sale of fixed securities.

**(D) legal reserves**

According to the legal requirements, the Group shall hold legal reserves of 5 % of the profits recorded in accordance with the applicable accounting rules until the total amount of the reserves reaches 20 % of the share capital under the Articles of Association Act. The value of the legal reserve on December 31, 2024 is lei 10.451.417 (December 31, 2023: 11.106.413lei).

Legal reserves may not be distributed to shareholders.

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

This reserve includes accumulated net changes in fair value of financial assets measured by other comprehensive income from the date of their classification into this category until the date when they were derecognized or impaired.

The reserves are recorded net of the related deferred tax. The amount of deferred tax recognized directly by the reduction of equity capital is shown in Note 23.

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

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
IAS 1.9(a),(b)(I); Annex V.Part 2.21	-	-
IAS 1.9(a),(b)(I); Annex V.Part 2.21	1.324.061.145	1.002.509.286
<b>Total</b>	<b>1.324.061.145</b>	<b>1.002.509.286</b>

**(F) dividends**

The distribution of dividends from the profits of the financial year 2023 was not approved during 2024. The distribution of dividends from the profits of the financial year 2022 was not approved during 2023.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

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**(G) own shares**

<i>In ROL</i>	<b>31 december 2024</b>	<b>31 december 2023</b>
Own shares	(7.221.000)	(2.494.800)
<b>Total</b>	<b>(7.221.000)</b>	<b>(2.494.800)</b>

Between 25.09.2024 and 08.10.2024 the public offer to buy shares issued by Lion capital S.A. was made approved by decision A.S.F 957/10.09.2024. It was completed by the redemption of 2.490.000 own shares, by Lion capital S.A, amounting to lei 7.221.000.

**25 Reporting by segment**

In 2024 and 2023 the group operated in one segment, namely the financial activity. The activity of 3 companies was included in the financial activity (2023: 3).

**26 Contingent liabilities and liabilities**

**a) Legal proceedings**

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

**b) Transfer price**

The Romanian tax legislation contains rules on transfer pricing between related persons as early as 2000. The current legal framework defines the principle of "market value" for transactions between related persons as well as the methods of fixing transfer prices. As a result, it is expected that the tax authorities will initiate in-depth transfer pricing checks to ensure that the tax result and/or customs value of the imported goods are not distorted by the effect of the prices charged in the related person relationships. The group cannot estimate the impact of such verification.

**c) Other commitments**

On 31 December 2024 and 31 December 2023, the Group has no loans obtained from banks for which the banks requested collateral in the form of mortgages on immovable property (land, buildings) and securities on receivables, stocks and cash.

**27 Related party transactions**

Related parties are entities or legal persons that are linked to each other by a controlling or significant influence. Under accounting and tax regulations, a related party may be an entity that directly or indirectly holds a significant participation in another entity, or that is under the control of the same entities or group of entities. Related parties also include entities that are influenced by the same economic or administrative interests. The transfer pricing method is based on the arm's length principle.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
***(all amounts shown are in lei)***

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The group identified in the course of its business the following related parties:

***Key management personnel***

*31 december 2024*

- On December 31, 2024, the board of directors of Lion capital S.A. was made up of 4 members: Bogdan-Alexandru Dragoi-president, Razvan-Radu Straut-vice-president (mandate ended on October 1, 2024), Sorin Marcel Pfister and Ionel Marian Ciucioi;
- On December 31, 2024 Executive Board members of Lion capital S.A: Bogdan-Alexandru Dragoi – Director General, Razvan-Radu Straut – Deputy Director General (mandate ended 1 October 2024), Florin Daniel Gavrila – Director and Laurentiu Ravis – Director.

*31 december 2023*

- On December 31, 2023, the board of directors of Lion capital S.A. was made up of 5 members: Bogdan-Alexandru Dragoi-president, Razvan-Radu Straut-vice-president, Sorin Marica, Marcel Pfister and Ionel Marian Ciucii;
- On December 31, 2023 Executive Board members of Lion capital S.A: Bogdan-Alexandru Dragoi – Director General, Razvan-Radu Straut – Deputy Director General, Teodora Sferdian – Deputy Director General (mandate ended 1 October 2023) and Laurentiu Ravis – Director.

During the financial year, no transactions were carried out and no advances and credits were granted to the directors and managers of the company, except for advances for travel in the interests of the service.

During 2024 the gross amounts paid to members AS well as to directors (authorized by the ASF) amounted to lei 9,924 thousand (2023: Lei 8,948).

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

**Subsidiaries**

Subsidiaries are legal entities controlled directly or indirectly by a parent, by holding a significant (usually at least 50%) holding of the voting rights or by exercising control over the financial activity and policy of the subsidiary.

**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
**(all amounts shown are in lei)**

The following transactions were carried out with related parties:

*(a) Income from dividends*

	<b>2024</b>	<b>2023</b>
PLC real estate SIF	34.874.698	12.031.798
Azuga Tourism SA	-	763.276
Vrancart SA	-	9.086.125
Biofarm SA	11.224.994	10.862.898
IAMU SA	-	3.861.240
SIFI CJ LOGISTIC SA	22.884	915.365
SIF Hotels	5.937.781	
<b>Total</b>	<b>52.060.537</b>	<b>37.520.701</b>

*(b) Interest income*

	<b>2024</b>	<b>2023</b>
VRANCART SA — bonds	629.561	3.252.690
SIF SPV TWO SA	3.611.944	5.836.749
SIF 1 IMGB S.A.	222.659	-
<b>Total</b>	<b>4.464.164</b>	<b>4.186.588</b>

*(c) Non-current accounts receivable*

	<b>2024</b>	<b>2023</b>
VRANCART SA — bonds	-	37.612.296
VRANCART SA - interest receivable	-	573.630
SIF SPV TWO SA — main loan	50.045.250	50.050.280
SIF SPV TWO SA — interest receivable	5.595.632	1.984.386
SIF 1 IMGB S.A.- principal loan	24.870.500	-
SIF 1 IMGB S.A.- interest receivable	222.608	-
<b>Total</b>	<b>80.733.990</b>	<b>90.220.593</b>

The following operations were carried out during 2024 with subsidiaries not included in the consolidation:

- Vrancart S.A. participation in the increase of the share capital in cash by 24.861.062 lei, representing the equivalent of 248.078.495 shares and the collection of the bond: 36.874.800 lei;
- SIF SPV THREE and FOUR — participation/contribution to the share capital increase in cash by a total amount of 61.288.650,
- Azuga Tourism and SIFI Unueh – full sale or liquidation of the holding, the value of the transactions being lei 44,7 million and lei 0.7 million.

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



**Notes to the consolidated financial statements for the financial year ended 31 December 2024**  
***(all amounts shown are in lei)***

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- Vrancart SA – participation in the increase of the share capital in cash by lei 37.846.593, representing cval. 377.584.668 actions;
- IAMU SA the purchase of 1.884.289 shares, the value of the transaction being lei 18,842,890;
- Central S.A. a full sale of the stake, the value of the transaction being lei 40,3 mn.

**28 Events after the balance sheet date**

There were no subsequent events having an impact for these consolidated financial statements.

## STATEMENT

This statement is given in accordance with Article 65 paragraph 2 (c) of Law no. 24/2017, related to the consolidated financial statements of Lion Capital S.A. prepared as of December 31, 2024, regarding the extent to which these present fairly, in all material respects, the financial position of Lion Capital S.A. and its subsidiaries included in the consolidation process as of December 31, 2024 and the results of its operations as at that date, in accordance with the requirements of Romanian accounting standards, namely the Accounting Law no. 82/1991, as republished, and ASF Norm no. 39/2015 for the approval of Accounting Regulations compliant with International Financial Reporting Standards, applicable to entities authorized, regulated and supervised by the Financial Supervisory Authority in the Financial Instruments and Investments Sector.

We take responsibility for the fair presentation of the financial statements pursuant to the legal regulations listed above. We knowingly and confidently confirm that:

- a) The accounting policies used for the preparing of the annual consolidated financial statements are in accordance with Accounting Regulations approved by ASF Norm no. 39/2015;
- b) The annual consolidated financial statements prepared as of December 31, 2024, provide a fair and accurate view of the assets, liabilities, financial position and profit and loss and other comprehensive income and other information related to the activity of the Group, as a whole;
- c) The Group operates in terms of continuity;
- d) The report of the Board of Directors provides an accurate analysis of the development and performance of the Group, and a description of the main risks and uncertainties specific to the activity carried out.

Chairman and CEO  
Bogdan-Alexandru DRĂGOI

CFO  
Bogdan DUȘU

**PRESS RELEASE**

**Availability of Lion Capital S.A. Annual Report for 2024**

**April 24, 2025, Arad** • Lion Capital S.A. informs the investors that the Annual Report, the separate and the consolidated financial statements for the year 2024, as approved by the General Meeting of Shareholders, will be available for the public on Company's website [www.lion-capital.ro](http://www.lion-capital.ro), starting April 24, 2025, and in print at Company's headquarters.

The report is prepared pursuant to the provisions of Law no. 24/2017, Law no. 74/2015, Law no. 243/2019, ASF Regulation no. 5/2018, ASF Regulation no. 10/2015, ASF Regulation no. 7/2020 and ASF Norm no. 39/2015.

Note that the separate and the consolidated financial statements as of December 31, 2024, are audited by the financial auditor of the Company.

Further information can be obtained from Investor Relations Office, phone: +40257 304 446, fax: +40257 250 165, e-mail: [investitori@lion-capital.ro](mailto:investitori@lion-capital.ro).

Chairman of the Board of Directors and CEO  
**Bogdan-Alexandru Drăgoi**

Compliance Officer, Ilie Gavra