



LION CAPITAL

PRELIMINARY FINANCIAL RESULTS

— AS OF DECEMBER 31, 2023 —

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This report presents the preliminary unaudited financial results of Lion Capital as of December 31, 2023, prepared in compliance to the Norm 39/2015 issued by the Financial Supervisory Authority (ASF). The financial results presented herein are preliminary and subject to subsequent adjustments.

1. COMPANY PRESENTATION

COMPANY NAME	Lion Capital S.A. (hereinafter referred to "Lion Capital", "the Fund" or "the Company")
COMPANY TYPE	<ul style="list-style-type: none"> ▪ joint stock company, Romanian legal entity with private capital ▪ established as a self-managed investment company, authorized by the Financial Supervisory Authority as Alternative Investment Fund Manager (AIFM) - Authorization no. 78 / 09.03.2018, and as closed-ended alternative investment fund, diversified, addressed to retail investors (AIFRI) - Authorization no. 130 / 01.07.2021
SHARE CAPITAL	<ul style="list-style-type: none"> ▪ RON 50,751,005.60 – subscribed and paid-up capital ▪ 507,510,056 shares issued, 506,520,056 outstanding as of 31.12.2023 ▪ RON 0.10 per share nominal value
REGISTRATIONS	<ul style="list-style-type: none"> ▪ Number in Trade Register J02/1898/1992 ▪ Tax Identification Code RO 2761040 ▪ Number in ASF AFIAA Register PJR07.1AFIAA / 020007 / 09.03.2018 ▪ Number in ASF FIAIR Register PJR09FIAIR / 020004 / 01.07.2021 ▪ Legal Entity Identifier (LEI) 254900GAQ2XT8DPA7274
MAIN ACTIVITY	<p>Main business activity is, as per the classification of economic activities in the national economy (CAEN): financial intermediation, except for insurance and pension funds (CAEN code 64), and the main object of activity: Other financial intermediation n.c.a. (CAEN code 6499):</p> <ul style="list-style-type: none"> a) portfolio management b) risk management c) other activities carried out within the collective management of an investment fund, allowed by the legislation in force
TRADING MARKET	The company is listed since November 1, 1999, on the regulated market of Bucharest Stock Exchange (BVB or BSE) – Premium category - ticker LION (since May 15, 2023, previously: SIF1)
FINANCIAL AUDITOR	Deloitte Audit S.R.L.
DEPOSITARY BANK	Banca Comercială Română (BCR)
SHARES AND SHAREHOLDERS' REGISTRY	Depozitarul Central S.A. Bucharest
REGISTERED OFFICE	Arad , 35A Calea Victoriei, 310158, Romania TEL +40257 304 438 FAX +40257 250 165 EMAIL office@lion-capital.ro WEB www.lion-capital.ro
BRANCH	Lion Capital Arad - București-Rahmaninov branch 46-48 S. V. Rahmaninov Str., 3rd floor, sector 2, 020199, Bucharest

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2. STATEMENT OF MAIN ITEMS OF THE FINANCIAL POSITION AND THE PRELIMINARY RESULTS AS OF DECEMBER 31, 2023

Lion Capital concluded the year 2023 with a robust financial position, boasting a net profit that exceeded the level set by the income and expenses budget. This achievement is particularly noteworthy given the backdrop of volatility and unforeseeable macroeconomic shifts. Lion Capital's activities in 2023 followed the directions outlined in the activity plan approved by the shareholders, with primary investment objectives focusing on maintaining a diversified portfolio of assets under management, an active involvement in the management of the majority holdings, and fine-tuning the portfolio towards financial instruments that benefit from an inflationary environment.

The value of Lion Capital's total assets, according to the preliminary financial statements, is of RON 4,306m as of December 31, 2023, up 26.4% vs. the value for 2022-year end.

The Company embraced an active investment policy, making significant acquisitions throughout 2023, both as direct purchases of shares listed on the Bucharest Stock Exchange, and also financing acquisitions carried out by Lion Capital's subsidiaries in the real estate segment.

During 2023, the Company recorded dividend income amounting to RON 152m, with RON 14.3m below the level of those achieved in 2022, decrease generated by the registration in 2024 of the dividend income related to the financial year 2022 at BRD - Groupe Société Générale. Interest income is up significantly compared to the previous year, resulting from diversification of interest-bearing assets (granting a variable interest loan to a subsidiary), holding variable interest rate bonds (with quarterly update) and accelerated interest rate growth on investments in bank deposits denominated in RON and EUR.

Net gain on investments amounts to RON 294m, being mainly the result of the evaluation of the financial assets in the portfolio measured at fair value through profit and loss (e.g. listed and unlisted shares - subsidiaries and associated entities, and fund units). The upward evolution in 2023 of the main listed issuers included in this category (VNC and BIO) positively influenced the level of this position, but also the progress of the fair value of unlisted holdings or without an active market (mainly of entities with a real estate profile).

The total expenses as of December 31, 2023, are slightly above those for the corresponding period of 2022, the increase being directly proportional to the net profit recorded for 2023. The increase in commission expenses is also the result of the upsurge of Company's net assets value, depending on which a part of these commissions is determined, higher than the level recorded in the previous year.

The net profit as of December 31, 2023, amounting to RON 417m, is the combined effect of the impact of the net result from the measurement at fair value of the aforementioned holdings in the level of recurring income (dividends, interest) obtained by the Company.

Total comprehensive income as of December 31, 2023, amounts to RON 860m, reflecting the positive impact of the fair value increase of the portfolio of financial assets classified in the FVTOCI category (Assets at fair value through other comprehensive income - mainly the shareholdings in the financial-banking sector).

Bogdan-Alexandru Drăgoi

Chairman and CEO

Bogdan-Victor Dușu

CFO

Separate Statement of Profit and Loss and Other Comprehensive Income
- preliminary unaudited -

<i>in RON</i>	Dec. 31, 2023	Dec. 31, 2022
Revenues		
Dividend income	151,903,565	166,188,008
Interest income (related to assets at fair value through other comprehensive income, assets at amortized cost)	5,800,174	2,991,738
Interest income (related to assets at fair value through profit and loss)	8,489,389	5,717,828
Other operating revenues	85,242	18,619
Gain/(Loss) on investment		
Gain / (Loss) on investment property	1,400,035	10,042
Gain / (Loss) on foreign exchange	1,165,018	(20,400)
Gain / (Loss) on financial assets at fair value through profit and loss	294,280,842	(47,386,144)
Expenses		
Reversals/(set-ups) of adjustments for impairment of other assets	-	566,018
Commissions, fees, and charges	(5,068,294)	(4,350,043)
Other operating expenses	(22,458,631)	(20,609,717)
Profit before income tax	435,597,340	103,125,949
Income tax	(18,342,208)	(7,658,801)
Net profit for the period	417,255,132	95,467,148
Other comprehensive income		
Amounts that are or may be transferred to profit or loss		
Amounts that may be transferred to profit or loss (debt instruments)	-	(65,463)
Amounts that are or may be transferred to retained earnings		
Change in fair value of shares measured through other comprehensive income	512,870,764	(283,620,973)
The effect of income tax on items above	(70,239,838)	43,396,254
Other comprehensive income	442,630,926	(240,290,182)
Total comprehensive income for the period	859,886,058	(144,823,034)
Earnings per share		
Basic	0,8222	0.1881
Diluted	0,8222	0.1881

Bogdan-Alexandru Drăgoi
Chairman and CEO

Bogdan-Victor Dușu
CFO

Separate Statement of Financial Position
- preliminary unaudited -

<i>in RON</i>	December 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	408,814,516	26.615.152
Other financial assets	730,106	12.834.480
Other assets	317,634	328.155
Financial assets at fair value through profit and loss	1,900,476,975	1.723.810.844
Financial assets at fair value through other comprehensive income (shares)	1,977,331,822	1.624.523.020
Assets representing rights of use of underlying assets in a leasing contract	227,961	476.645
Investment property	14,363,411	12.963.376
Tangible assets	3,523,737	3.711.480
Total assets	<u>4,305,786,163</u>	<u>3.405.263.152</u>
Liabilities		
Dividends payable	9,886,856	10,042,310
Other financial liabilities	12,402,436	15,038,374
Other liabilities and deferred revenues	13,593	251,682
Debts from leasing contracts	258,500	530,880
Deferred income tax	182,852,994	136,546,721
Total liabilities	<u>205,414,379</u>	<u>162,409,967</u>
Equity		
Share capital	50,751,006	50,751,006
Treasury shares	(2,494,800)	-
Loss on repurchase of own shares	(31,973)	-
Benefits granted in equity instruments	2,159,850	2,000,537
Other reserves	1,699,567,034	1,604,099,887
Reserves from revaluation of tangible fixed assets	1,176,569	1,176,569
Legal reserves	10,150,201	10,150,201
Reserves from revaluation of financial assets designated at fair value through other comprehensive income	1,095,404,908	741,827,359
Retained earnings	1,243,688,988	832,847,626
Total equity	<u>4,100,371,784</u>	<u>3,242,853,185</u>
Total liabilities and equity	<u>4,305,786,163</u>	<u>3,405,263,152</u>

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<i>in RON</i>	Statement of Changes in Equity									
	<i>- preliminary unaudited -</i>									
	Share capital	Treasury shares	Losses from the repurchase of own shares	Legal reserves	Reserves from value changes in financial assets at fair value through other comprehensive income	Reserves from revaluation of tangible assets	Benefits granted in equity instruments	Other reserves	Retained earnings	Total
Balance on January 1, 2023	50,751,006	-	-	10,150,201	741,827,359	1,176,569	2,000,537	1,604,099,887	832,847,626	3,242,853,185
Profit for the period	-	-	-	-	-	-	-	-	417,255,132	417,255,132
Reserve from revaluation of financial assets transferred to profit and loss	-	-	-	-	-	-	-	-	-	-
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-	-	(106,766,363)	-	-	-	106,766,363	-
Change of reserve	-	-	-	-	512,870,764	-	-	-	-	512,870,764
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	(52,526,852)	-	-	-	(17,712,986)	(70,239,838)
Total comprehensive income for the period	-	-	-	-	353,577,549	-	-	-	506,308,509	859,886,058
Other reserves – own sources	-	-	-	-	-	-	-	95,467,147	(95,467,147)	-
Payable dividends	-	-	-	-	-	-	-	-	-	-
Lapsed dividends	-	-	-	-	-	-	-	-	-	-
Change in benefits granted	-	-	-	-	-	-	2,376,913	-	-	2,376,913
Repurchase of own shares	-	(4,712,400)	(60,393)	-	-	-	-	-	-	(4,772,793)
Cancellation of treasury shares	-	2,217,600	28,420	-	-	-	(2,217,600)	-	-	28,420
Total transactions with shareholders recognized directly in equity	-	(2,494,800)	(31,973)	-	-	-	159,313	95,467,147	(95,467,147)	(2,367,460)
Balance on December 31, 2023	50,751,006	(2,494,800)	(31,973)	10,150,201	1,095,404,908	1,176,569	2,159,850	1,699,567,034	1,243,688,988	4,100,371,784

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in RON

	Share capital	Treasury shares	Losses from the repurchase of own shares	Legal reserves	Reserves from value changes in financial assets at fair value through other comprehensive income	Reserves from revaluation of tangible assets	Benefits granted in equity instruments	Other reserves	Retained earnings	Total
Balance on January 1, 2022	51,542,236	(21,363,229)	(330,998)	10,308,447	984,425,325	1,176,569	-	1,249,578,037	1,140,789,898	3,416,126,285
Profit for the period	-	-	-	-	-	-	-	-	95,467,148	95,467,148
Reserve from revaluation of financial assets transferred to profit and loss	-	-	-	-	-	-	-	-	-	-
Reserve from revaluation of financial assets transferred to retained earnings	-	-	-	-	(2,119,796)	-	-	-	2,119,796	-
Change of reserve	-	-	-	(158,246)	(283,698,905)	-	-	-	158,246	(283,698,905)
Revaluation of tangible assets	-	-	-	-	-	-	-	-	-	-
Related deferred tax	-	-	-	-	43,220,735	-	-	-	187,988	43,408,723
Total comprehensive income for the period	-	-	-	(158,246)	(242,597,966)	-	-	-	97,933,178	(144,823,034)
Other reserves – own sources	-	-	-	-	-	-	-	356,550,501	(356,550,501)	-
Payable dividends	-	-	-	-	-	-	-	-	(30,450,603)	(30,450,603)
Lapsed dividends	-	-	-	-	-	-	-	-	-	-
Change in benefits granted	-	-	-	-	-	-	2,000,537	-	-	2,000,537
Repurchase of own shares	-	-	-	-	-	-	-	-	-	-
Cancellation of treasury shares	(791,230)	21,363,229	330,998	-	-	-	-	(2,028,651)	(18,874,346)	-
Total transactions with shareholders recognized directly in equity	(791,230)	21,363,229	330,998	-	-	-	2,000,537	354,521,850	(405,875,450)	(28,450,066)
Balance on December 31, 2022	50,751,006	-	-	10,150,201	741,827,359	1,176,569	2,000,537	1,604,099,887	832,847,626	3,242,853,185

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Cash Flow Statement*- preliminary unaudited -**in RON*

	Dec. 31, 2023	Dec. 31, 2022
Operating activities		
Net profit for the period	417,255,132	95,467,148
<i>Adjustments for:</i>		
Depreciation of tangible and intangible assets	526,264	553,220
(Gain)/Loss from disposal of tangible assets	-	-
(Gain)/Loss from valuation/sale of investment property	(1,400,035)	(10,042)
(Gain)/Loss from financial assets at fair value through profit and loss	(294,280,842)	47,386,144
Dividend income	(151,903,565)	(166,188,008)
Interest income	(14,289,563)	(8,709,566)
Interest expense on liability from leasing contract	22,234	37,655
Expense with / (income from) exchange rate differences assets / financial liabilities and other income/expenses	(136,295)	(1,344,661)
Benefits granted in equity instruments	2,315,317	2,000,537
Income tax	18,342,208	7,658,801
Changes in operating assets and liabilities		
Change in other assets (claims, etc.)	109,301	(1,394,848)
Change in other financial liabilities	(675,389)	4,438,258
Income tax paid	(19,871,237)	-
Net cash used in operating activities	(43,986,470)	(20,105,363)
Investment activities		
Payments for acquisition of financial assets measured at fair value through other comprehensive income (shares, bonds)	(23,748,220)	(357,337,857)
Proceeds from sales of financial assets measured at fair value through other comprehensive income (shares, bonds)	183,810,181	8,378,030
(Placements) / Proceeds from bank deposits with term greater than three months	-	79,198,863
Proceeds from sale / repurchase of assets at fair value through profit and loss account (fund units, bonds, shares)	168,740,454	27,193,910
Payments for purchase of assets at fair value through profit and loss account (fund units, bonds, shares, loan)	(56,689,483)	(115,657,463)
Proceeds from sale of tangible assets and investment property	464,057	-
Payments for purchases of tangible assets	(73,588)	(231,500)
Dividends collected	146,223,963	159,092,059
Interest collected	12,674,637	5,452,918
Net cash from investment activities	431,402,001	(193,911,040)
Financing activities		
Payments related to leasing contract	(287,920)	(295,131)
Dividends paid	(155,454)	(19,199,846)
Repurchase of own shares	(4,772,793)	-
Net cash used in financing activities	(5,216,166)	(19,494,976)
Net increase / (decrease) in cash and cash equivalents	382,199,364	(233,511,378)
Cash and cash equivalents on January 1	26,615,152	260,126,530
Cash and cash equivalents on December 31	408,814,516	26,615,152

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