

Press Release

## **S.C.M. SIM: the BoD approves the financial report as at 30 June 2022**

- **Commission income:** Euro 2.55 million (Euro 3.08 million as at 30.06.2021)
- **Net interest and other banking income:** Euro 1.45 million, (Euro 1.93 million as at 30.06.2021)
- **Operating profit/loss:** Euro 0.58 million (Euro 0.12 million as at 30.06.2021)
- **Assets under control:** Euro 835 million (Euro 913 million as at 31.03.2022)
  - Assets under management of Euro 196 million (Euro 209 million as at 31.03.2022)
  - Assets under management of Euro 246 million (Euro 311 million as at 31.03.2022)
  - Value of insurance products of Euro 364 million (Euro 362 million as at 31.03.2022)
  - SICAV assets of approximately Euro 28 million (Euro 31 million as at 31.03.2022)
- **Financial and insurance advisors:** 36 (37 as at 31.03.2022)

*Milan, 27 September 2022*

The Board of Directors of Solutions Capital Management SIM S.p.A. (**the "Company" or "SCM SIM"**), a company listed on Euronext Growth Milan of Borsa Italiana S.p.A. and in the open market segment "Quotation Board" of the Frankfurt Stock Exchange, met today and approved the Half-Yearly Financial Report as at 30 June 2022.

*"2022 is a very complex year due to the combination of post-pandemic inflation, war and China's zero covid policy". The central banks are trying to curb inflation with a series of 'data-driven' rate moves, i.e. in the absence of a clear strategy, the so-called 'forward guidance'. This uncertain scenario inhibits customers' appetite for investment.*

*Although we significantly improved the profitability of each business segment, the absence of performance commissions, historically structural in our budget, penalised us.*

*The second half of the year, thanks to transactions related to tax credits and 'one-shot' consultancy, as well as the maintenance of a positive trend in core commissions, is certainly looking better".*

*"In a garden there is a season for growth. First come spring and summer, and then we have autumn and winter. But then spring and summer return," said Chance the gardener*

**Antonello Sanna, Managing Director**

### **Economic-financial results as at 30 June 2022**

**Commission income** amounted to Euro 2.55 million, compared to Euro 3.08 million in the first half of 2021. The substantial difference is determined by the absence of performance commissions, which in the same period of the previous year contributed about Euro 1 million. On the other hand, there was a very positive result in all other commission income segments, with a

+43.5% change in the distribution of insurance products, +12% in asset management, +5.4% in investment advice and +62% in general advice.

**Commission expenses** amounted to Euro 1.09 million, compared to Euro 1.16 million as at 30 June 2021, showing a more moderate growth than commission income, also due to the different composition compared to the previous year.

**Net interest** and other banking income decreased accordingly to Euro 1.45 million, -24.5% compared to the first half of 2021 (Euro 1.93 million).

**Operating costs** showed a slight change (+1.4%) compared to the same period last year, with personnel costs decreasing by 6.4%.

The **net result** for the period was a loss of Euro 578,000, compared to a loss of Euro 119,000 in the first half of 2021.

**Assets Under Control** amounted to approximately Euro 835 million, down from 31 March 2022 (Euro 913 million). In detail, **assets under management** amounted to Euro 196 million (Euro 209 million as at 31.03.2022), assets from **advisory services** (investment, general advisory and capital raising from club deals) amounted to Euro 246 million (Euro 311 million as of 31.03.2022). The **Sicav's** assets, amounting to Euro 28 million (Euro 31 million as at 31.03.2022) and the value of insurance **policies**, amounting to Euro 364 million (Euro 362 million as at 31.03.2022) were substantially unchanged.

**Shareholders' equity** amounted to Euro 2.42 million (Euro 2.97 million as at 31 December 2021).

## **Main events during the first half of 2022**

- Listing on the open market segment 'Quotation Board' of the Frankfurt Stock Exchange on 10 June 2022;
- Completion of the purchase process by Banca Ubae of tax credits for Euro 20 million;
- Partnership with Value-Holdings Capital Partners AG for the advisory service of the new management line "In Germany," focused on the German stock market and with the DAX as reference benchmark.
- Partnership with PreviOn (a fintech company specialising in social security assistance and management) to offer its clients social security check-up services while expanding its range of wealth management consulting services. Thanks to the agreement, SCM Sim's clients will be able to know their social security position in detail, with a subjective and objective analysis of their INPS and social security contribution statement;

- Partnership with the American management company Alkeon Capital Management LLC for the exclusive distribution in Italy of the Alkeon UCITS Fund;
- Promotional campaign for the conversion of low-profit insurance assets;
- Reorganisation of the sales structure with the coordination of the network entrusted to two managers with consolidated experience;
- Launch and distribution of new ESG insurance products, structured by the insurance company Nobis, with particular attention to the issue of sustainability.

## Documentation

The Financial Report as at 30 June 2022 will be made available to the public within the terms and in the manner set forth in the Euronext Growth Milan Issuers' Regulations, as well as on the Company's website, [www.scmsim.it](http://www.scmsim.it), in the "Investors/Financial Statements and Reports" section.

This press release is available on the Company's website [www.scmsim.it](http://www.scmsim.it) under Investors>Press Releases.

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**"SCM" is a stockbroking company authorised to provide portfolio management, investment advice and placement services. SCM has been active since 2009 and has been the first SIM listed on the Euronext Growth Milan market (formerly AIM Italia) of Borsa Italiana since July 2016. SCM is independent from banking, insurance and industrial groups and is an entity supervised and controlled by CONSOB, Banca d'Italia and Borsa Italiana. Through its Private Banking and Wealth Management services, SCM offers customised advisory solutions for clients, applying a unique, innovative and sustainable business model in Italy, which is based on independence, transparency and absence of conflict of interest in line with the fee only advisory model.**

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## Below

- Balance Sheet of SCM SIM S.p.A. as at 30 June 2022
- Income Statement of SCM SIM S.p.A. as at 30 June 2022
- Financial Statements SCM SIM S.p.A. as at 30 June 2022

## BALANCE SHEET ASSETS

Values in units of Euro

	30/06/2022	31/12/2021
<b>10. Cash and cash equivalents</b>	<b>201</b>	<b>121</b>
<b>20. Financial assets at fair value through profit or loss</b>	-	-
a) <i>financial assets held for trading</i>	-	-
b) <i>financial liabilities designated at fair value</i>	-	-
c) <i>other financial assets measured at fair value as per mandatory requirements</i>	-	-
<b>40. Financial assets measured at amortised cost</b>	<b>1,857,643</b>	<b>2,441,167</b>
a) <i>receivables from banks</i>	512,107	598,879
c) <i>trade receivables</i>	1,345,535	1,842,288
<b>80. Tangible assets</b>	<b>1,018,768</b>	<b>1,116,989</b>
<b>90. Intangible assets</b>	<b>102,582</b>	<b>123,804</b>
<b>100. Tax assets</b>	<b>889,374</b>	<b>899,907</b>
a) <i>current</i>	72,584	72,584
b) <i>prepaid</i>	816,790	827,323
<b>120. Other assets</b>	<b>738,791</b>	<b>611,715</b>
<b>TOTAL ASSETS</b>	<b>4,607,359</b>	<b>5,193,703</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	30/06/2022	31/12/2021
<b>10. Financial liabilities measured at amortised cost</b>	<b>1,337,256</b>	<b>1,435,676</b>
a) <i>debts</i>	1,337,256	1,435,676
b) <i>outstanding securities</i>	-	-
<b>60. Tax liabilities</b>	<b>2,661</b>	<b>2,661</b>
a) <i>Current</i>	-	-
b) <i>Deferred</i>	2,661	2,661
<b>80. Other liabilities</b>	<b>673,381</b>	<b>588,663</b>
<b>90. Employee severance indemnities</b>	<b>169,901</b>	<b>197,649</b>
<b>110. Capital</b>	<b>2,006,240</b>	<b>2,006,240</b>
<b>140. Share premium accounts</b>	<b>804,904</b>	<b>1,076,103</b>
<b>150. Reserves</b>	<b>212,790</b>	<b>212,790</b>
<b>160. Valuation reserves</b>	<b>-21,525</b>	<b>-54,880</b>
<b>170. Profit (loss) for the year</b>	<b>-578,249</b>	<b>-271,199</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>4,607,359</b>	<b>5,193,703</b>

## INCOME STATEMENT

Values in units of Euro

	30/06/2022	30/06/2021
<b>10. Net trading profit (loss)</b>	-	-
<b>30. Gains (losses) on disposal or repurchase of:</b>	-	-
a) <i>financial assets</i>	-	-
b) <i>financial liabilities</i>	-	-
<b>40. Net profit (loss) from other financial assets and liabilities measured at fair value through profit or loss</b>	-	-
a) <i>Financial assets and liabilities designated at fair value</i>	-	-
b) <i>Financial assets measured at fair value as per mandatory requirements</i>	-	-
<b>50. Commission income</b>	<b>2,546,615</b>	<b>3,083,973</b>
<b>60. Fee and commission expense</b>	<b>- 1,067,156</b>	<b>- 1,145,766</b>
<b>70. Interest income and similar revenues</b>	-	-
<b>80. Interest expense and similar charges</b>	<b>- 25,519</b>	<b>- 12,482</b>
<b>90. Dividends and similar income</b>	-	-
<b>110. Net interest and other banking income</b>	<b>1,453,940</b>	<b>1,925,725</b>
<b>120. Net value adjustments/write-backs for credit risk of:</b>		
a) <i>financial assets measured at amortised cost</i>	-	- 19,825
b) <i>financial assets measured at fair value through other comprehensive income</i>	-	-
<b>130. Net profit (loss) from financial operations</b>	<b>1,453,940</b>	<b>1,905,900</b>
<b>140. Administrative expenses:</b>	<b>- 1,888,533</b>	<b>- 1,862,062</b>
a) <i>personnel expenses</i>	- 896,182	- 957,068
b) <i>Other administrative expenses</i>	- 992,351	- 904,994
<b>160. Net value adjustments/write-backs on tangible assets</b>	<b>- 146,112</b>	<b>- 142,807</b>
<b>170. Net value adjustments/write-backs on intangible assets</b>	<b>- 25,297</b>	<b>- 12,694</b>
<b>180. Other operating income and expenses</b>	<b>27,753</b>	<b>1,037</b>
<b>190. OPERATING COSTS</b>	<b>- 2,032,189</b>	<b>- 2,016,526</b>
<b>240. Pre-tax profit (loss) from current assets</b>	<b>- 578,249</b>	<b>- 110,626</b>
<b>250. Income taxes for the year on current operations</b>		<b>- 8,364</b>
<b>260. Profit (loss) after taxes from current assets</b>	<b>- 578,249</b>	<b>- 118,990</b>
<b>280. Profit (loss) for the year</b>	<b>- 578,249</b>	<b>- 118,990</b>

## CASH FLOW STATEMENT

	30/06/2022	31/12/2021	30/06/2021
<b>Direct method</b>			
<b>A. OPERATING ACTIVITIES</b>			
<b>1. Management</b>	<b>-603,768</b>	<b>137,189</b>	<b>44,875</b>
interest income collected			
interest expense paid	-25,519	-39,029	-12,482
dividends and similar income			
net fees	1,479,459	3,894,604	1,938,207
personnel expenses	-896,182	-1,910,834	-957,068
other costs	-1,189,279	-1,954,014	-972,256
other revenues	27,753	146,462	48,474
taxes and duties			
costs/revenues relating to groups of assets held for sale and net of the tax effect			
<b>2. Cash flow generated/absorbed by financial assets</b>	<b>496,753</b>	<b>-283,028</b>	<b>515,128</b>
financial assets held for trading			
financial assets measured at fair value other assets measured at fair value as per mandatory requirements			
financial assets measured at fair value through other comprehensive income			
financial assets measured at amortised cost			
other assets	496,753	-283,028	515,128
<b>3. Cash flow generated/absorbed by financial liabilities</b>	<b>-557</b>	<b>-83,953</b>	<b>-399,340</b>
financial liabilities measured at amortised cost			-104,947
financial liabilities held for trading			
financial liabilities designated at fair value			
other liabilities	-557	-83,953	-294,393
<b>Net cash flow generated/absorbed by operating activities</b>	<b>-107,572</b>	<b>-229,792</b>	<b>160,663</b>
<b>B. INVESTMENT ACTIVITIES</b>			
<b>1. Cash flow generated by</b>	<b>0</b>	<b>-</b>	<b>-</b>
sales of equity investments			
dividends collected on equity investments			
sales of tangible assets			
sales of intangible assets			
sales of business units			
<b>2. Liquidity absorbed by</b>	<b>20,880</b>	<b>97,638</b>	<b>56,754</b>
purchases of equity investments			
purchases of tangible assets	16,805	6,102	10,994
purchases of intangible assets	4,075	91,536	45,760
purchases of business units			
<b>Net cash flow generated/absorbed by investment activities</b>	<b>20,880</b>	<b>97,638</b>	<b>-56,754</b>
<b>C. FUNDING ACTIVITIES</b>			
issues/purchases of treasury shares			
issues/purchases of equity instruments			
dividend distribution and other purposes			
<b>Net cash flow generated/absorbed by funding activities</b>	<b>0</b>	<b>-</b>	<b>-</b>
<b>NET CASH FLOW GENERATED/ABSORBED DURING THE YEAR</b>	<b>-86,692</b>	<b>-132,154</b>	<b>103,908</b>
<b>RECONCILIATION</b>			
Cash and cash equivalents at the beginning of the year	599,000	731,154	731,154
Total net cash flow generated/absorbed during the year	-86,692	-132,154	103,908
Cash and cash equivalents: effect of changes in exchange rates			
<b>Cash and cash equivalents at the end of the year</b>	<b>512,308</b>	<b>599,000</b>	<b>835,062</b>