SOLUTIONS CAPITAL MANAGEMENT SIM S.P.A.

Consob Resolution no. 17202 of 2 March 2010 - Member of the National Guarantee Fund
Registered office in Milan - Via Gonzaga, 3
Resolved Share Capital euro 2,707,176, subscribed and paid-up euro 2,094,264
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Tax Code and Company Register no. 06548800967
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REPORT ON OPERATIONS AS AT 31 DECEMBER 2022

Dear Shareholders,

the financial statements as at 31 December 2022, which we submit for your approval, closed with a loss of euro 796,059 compared to a loss of euro 271,199 in the previous year.

The Company has prepared the Financial Statements in application of Italian Legislative Decree no. 38 of 28 February 2005 and in accordance with IAS/IFRS, as interpreted by the International Financial Reporting Interpretation Committee (IFRIC) and adopted by the European Union.

Macroeconomic scenario and financial market performance

The year 2022 was characterized by the tragedy of the war in Ukraine and the energy crisis. Inflation shook the markets, forcing central banks to adopt restrictive monetary policy measures. In this scenario, the rise in interest rates put both the bond asset and the equity asset classes under pressure, causing the financial markets to record the worst performance in recent decades.

The first quarter on the equity markets was undoubtedly characterized by two crucial factors: the war, which led to an energy and raw materials crisis, and inflation which jumped to 7.5% in the United States and 5.9% in Europe.
In January, the US economy overheated, with the consequent change of pace by the Federal Reserve and a labour market that has performed well.
On the European front, the energy crisis intensified, increasing pressure on the consumer price indexes, putting pressure on the energy sector.
The war that broke out on 24 February in Ukraine immediately changed the world scene and the various sanctions imposed by the Western countries, in response to Russian aggression, inevitably affected economic relations between Europe and Russia. The situation in the financial markets, already critical on the energy front, has erupted into a real rally in the sector; the possibility of a disruption in Russian gas and oil supplies has put the European market under pressure, leading to a second bearish wave in the markets, affected by the news from the battlefield and the failure of negotiations.
In March, USA attention was focused on the issue of inflation and, after months of pressure on the rates front, the President of the FED announced the first hike since 2018 (+25 bps). The US market benefited from the clarification of the monetary landscape, recording a rebound on equities while the bond market remained structurally under pressure. In Asia, there was a slowdown in industrial production that has compromised the resumption of economic activity, following lockdown policies due to the spread of the Omicron variant of SARS-CoV-2.

The second quarter was characterized by a context of high inflation and a tightening of monetary policies at global level: new inflationary highs forced the US Federal Reserve Bank to raise benchmark rates; in Europe, after ending the PEPP emergency programme, the ECB announced the first rate hike in 11 years for July. The deterioration of the economic situation in Western countries was also caused by the imposition of sanctions on Russia, which reacted by reducing gas supplies to Europe, threatening sudden disruptions and trying to secure an expansion of the Asian market.
On the currency front, the different economic situations and the anticipated monetary policy steps taken by the FED have strengthened the dollar.
Especially in Asia, towards the end of the quarter, there was a gradual relaxation of the COVID containment measures, which led to a recovery of the economy, supported by the Beijing government also through an infrastructural relaunch plan and more expansionary policies.
In April, there was a new high recorded by US inflation and the consequent rise in the interest rate curve, with Equity suffering heavy losses, while the European reaction was more contained.
In May, the market ended the month at a break-even point, as it had already suffered in an even worse situation in April.
The month of June was characterized by the continuation of the monetary policy normalisation process. The US FED once again had to proceed with a rate hike and the same measure was announced by the ECB for July, also anticipating the presentation of the new anti-fragmentation tool. On the financial markets, the reaction to monetary policy decisions and macroeconomic data saw the entry of the S&P 500 to the "Bear Market" (-20%) and with a further slip by the NASDAQ technology sector index (-9%), which led to a drop of -30% from the beginning of the year.

The third quarter was characterized by two periods: the first one lasted until the second half of August and was marked by a sustained market rebound, the second one lasted until the end of September and was marked by a bearish environment on fears of a recession. The market's focus remained on the pressure of consumer prices and the related monetary policies implemented by

the Central Banks. The market's mood changed after the Federal Open Market Committee conference, held in August, declared the goal of bringing inflation back to 2%, with the result that, in September, the equity market burnt all the performance generated in the first 45 days of the quarter, closing in the negative.
In Europe, the energy crisis remained a central issue, and the various supply disruptions on the Nordstream pipeline and the fears of a failure to reopen after summer maintenance, caused prices to soar (the price of the Title Transfer Facility for natural gas in August reached an all-time high of euro 300/MWh).
In August, the equity market's correction continued until the eve of the Jackson Hole symposium, where the Federal Open Market Committee reiterated its "hawkish" stance, setting as its primary goal the return of inflation to the target level even at the expense of an economic slowdown.
In Europe, the energy crisis has directly led to an increase in the consumer price index, leaving the European Central Bank at the mercy of events. On the political front, the differences of opinion between the European countries were reflected in the difficulty of reaching an agreement on the new sanctions package and the proposed price cap on gas. In this context, the Euro lost parity against the dollar.

In the fourth quarter, the market's focus remained on the pressure of consumer prices and the related monetary policies implemented by the Central Banks. In the USA, the inflationary context was better than expected, thanks to a gradual decrease in the pressure deriving from the energy component; on the contrary, in Europe, a new high was recorded with a subsequent decline towards the end of the year. The United Kingdom was shaken by the tax relief measures announced by the new Truss government. The market reaction was very harsh and, after days of pressure, the Bank of England announced a provisional Quantitative Easing on the long part of the UK curve, which was followed by the resignation of the Truss government, in office for only one month.
The last quarter of 2022 also began with a new stance by the major central banks, with signs supporting a more accommodative tightening; in the face of an easing of monetary policies, the market saw a correction in equities.
In Europe, the indices continued to outperform the US market, so much so that in the quarter the Eurostoxx 50 closed with a positive spread on the S&P 500 of more

than 10 percentage points. Finally, on the currency front, the dollar weakened, returning below parity against the euro.
In November, the US FED opted for a 75 bps hike, postponing the long-awaited "pivoting" supported by strong macroeconomic data and a solid labour market. In terms of inflation, the harmonised index of consumer prices ("HICP") fell beyond expectations. In Asia, the Chinese government's change of course regarding the "Covid Zero" measures triggered a rally on the equity market, making Hong Kong gain more than 8 percentage points.
In December, the FED arranged for the end of the increases in the first quarter of 2023 and identified a terminal rate of 5%. The other main central banks (ECB, BOE, SNB and Norges Bank), with the necessary differences, also decreased the extent of their increases, slowing down the strength of their tightening.

PERFORMANCE OF THE MAIN EQUITY INDICES

2022 was a problematic year for the equity market, as can be seen from the image below.

The outbreak of the war in Ukraine and the related European energy crisis are just some of the issues that have emerged. Inflation, already on the rise since the end of 2021, has risen in all major Western countries, forcing central banks to adopt restrictive measures. The benchmark rates, first in the US and then in Europe, have risen at a speed never seen before, putting both the bond and equity markets under pressure.

* Source: 'Bloomberg'

Among the worst indices, the NASDAQ recorded a negative performance of -33.71%, the S&P 500 of -19.95% and the FTSE MIB of -14.95%.

Among the best indices, although always negative, we find the Dow Jones (-9.40%) and the Eurostoxx 50 (-12.42%).

Bond markets	2022	Yield
US HY in USD	- 11.19%	8.956%
Europe HY	- 10.64%	8.026%
US IG in USD	- 15.76%	5.424%
Europe IG	- 13.65%	4.321%
Gov EM in USD	- 17.43%	7.989%
Gov EM in local currency	- 8.44%	4.418%
EM corporate in USD	- 14.85%	7.969%

Government rates	2022	YTD Change
10yr Germany	2.565	274.7
10yr Italy	4.698	352.8
10yr Spain	3.649	308.6
10yr Portugal	3.579	311.7
10yr US	3.877	236.5

CONSIDERATIONS

The inflation topic will still be predominant in the analysis of financial market trends.

The outlook for the euro area has deteriorated slightly and indicates weaker growth and higher and more persistent inflation than what was expected, in September 2022, in the macroeconomic projections of the ECB experts.

In a context in which the war in Ukraine continues to produce economic consequences that fuel strong inflationary pressures, consumer and business confidence remained low. However, the negative economic repercussions should be partly mitigated by fiscal policy measures. In the medium term, economic growth should resume and the labour market should continue to perform relatively well, even in the face of the upcoming slight recession.

As regards Italy, forecasts indicate a pronounced decline in GDP, which would fall from 3.4% in 2022 to 0.5% in 2023, and then rise again to 1.9% in 2024 and 1.8% in 2025.

Inflation continued to exceed expectations in the September forecasting exercise and extended to all components of the harmonised index of consumer prices (HICP), despite the sharp decrease in wholesale gas and electricity prices, the weakening of the demand, the easing of supply-side bottlenecks and the measures adopted by governments to contain the dynamics of energy prices.

Eurosystem experts have significantly revised upwards the projections for inflation, which would stand, on average, at 8.4% in 2022 and then fall to 6.3% in 2023, with projections for 2024 at 3.4% and for 2025 at 2.3%.

Overall inflation would then fall to the ECB's medium-term target of 2% in the second half of 2025, while the rate calculated net of the energy and food component would remain higher for the entire period under review. This persistence is due to the delayed indirect effects of high energy prices and the sharp depreciation of the euro observed in the past, as well as robust developments in labour markets.

It is important to note that the new fiscal measures decided after the September forecasting exercise, mainly aimed at reducing energy price increases in 2023, act as a brake on the upward revision of inflation in 2023 but contribute

considerably to the upward correction in 2024, in a context where many of these measures are expiring.
More generally, the bond asset class - which has suffered large losses in 2022 in the face of hikes by various central banks - is undoubtedly an attractive alternative to the equity market in the face of current rates.
The main risk for 2023 is represented by the possible recession due to the monetary policy measures implemented. In the event that the central banks, ECB and FED rates, manage to carry out a “soft landing” (bringing inflation back without sending the economy into recession), a very positive scenario for global equities could materialise.
Lastly, it should be noted that the change in the Covid emergency management policy in Asia (so-called “Covid Zero”) could boost economic growth and relaunch the market.

Evolution of the regulatory context

ESG REGULATIONS

In recent years, European institutions have taken decisive action on numerous fronts with the aim of making the continent's economy more environmentally and socially sustainable. In particular, the financial sector was among the most affected through measures aimed at maximising market transparency and the integration of environmental, social and governance (**ESG**) criteria into investment products and processes.

With the signing of the United Nations **Sustainable Development Goals** and the Paris Climate Agreement in 2015, the European Union has placed the issue of environmental and social sustainability at the centre of its policies. On this occasion, a process was activated for the progressive integration of environmental, social and governance (ESG) factors with a view to transition towards sustainable finance, guided by an evolving regulatory framework.

But it is above all with the **Action Plan on Financing Sustainable Growth**, presented in March 2018 by the EU Commission, that sustainable finance has recorded significant development: the volumes managed according to investment strategies are growing and the number of operators that integrate ESG criteria into investment strategies and choices is growing.

Another significant regulatory intervention is EU Regulation 2019/2088 on **Sustainable Finance Disclosure Regulation - SFDR**, which has introduced disclosure requirements on risks and sustainability impacts of investment policies and of products for market participants and financial advisors. The objective is to increase the transparency of the Sustainable Responsible Investment (SRI) market and combat the greenwashing, both essential elements for directing a greater flow of capital towards sustainable projects and companies.

This source, in fact, governs disclosure in the area of sustainable finance, standardising information on the environmental or social characteristics of financial products and making the sustainable investment strategies that are now available comparable.

Adopted by the Commission in spring 2019 and entered into force in March 2021, the Sustainable Finance Disclosure Regulation (SFDR) establishes sustainability disclosure obligations on two fundamental aspects:

- **sustainability risks**, i.e. environmental, social or governance events or conditions that could cause a substantial negative impact on the value of an investment;
- **negative impacts** that investment decisions or advisory services could have on sustainability factors.

The regulatory act has a significant impact on the activities of financial operators, who will have to collect and communicate precise data on ESG factors, both at organisational level, with regard to the processes underlying investment decisions, and at product level.

The Regulation also introduces two types of products, based on the level of ESG ambition:

- light green products (Article 8) that promote environmental and/or social characteristics, i.e. they integrate some sustainability criteria into the investment process in a binding manner (for example, they apply some exclusions, or the best in class strategy);
- dark green products (Article 9) that have sustainable investments as their objective.

The Regulation defines six objectives to be pursued and establishes that, to be environmentally friendly, an activity must:

- positively contribute to at least one of these six objectives;
- not harm any other objective;
- be carried out in compliance with minimum social guarantees.

The European institutions have also intervened with a **European taxonomy of eco-compatible economic activities** (EU Regulation 852/2020), introducing a classification that explains, for each economic activity, the technical criteria on the basis of which it contributes to the environmental objectives of the European Union.

On 13 December 2022, the European Banking Authority (EBA) published its roadmap outlining the objectives and timeline for the implementation of mandates and tasks in the area of sustainable finance and environmental, social and governance (ESG) risks.

SCM SIM INITIATIVES

With reference to the SCM initiatives already concluded and those planned for 2023 in relation to the sustainability of investments and supervisory expectations, it should be noted that the Company intends to further strengthen its database for the classification of financial instruments, in order to create - using proprietary calculations - indexes of sustainability performance.

The Company recognizes the importance and value of sustainability issues and, therefore, is determined to consider the impact that its decisions may have on the environmental, social and corporate governance (ESG) areas, integrating sustainability criteria into the investment processes.

SCM, as part of the ongoing adjustment process, classifies the financial instruments that make up the portfolios using information made available by third parties, as holders of specialised databases, or by referring to the information provided by the product companies as part of the offer documents.

For the purposes of the ESG classification of asset management instruments and their positioning within the investable universe of the lines oriented towards sustainable investments, SCM uses, as a primary element to operate the investment sustainability classification, the indications reported in the communications, in the offer documents and in the material published by the product companies.

At present, SCM considers as belonging to the ESG investable universe those asset management instruments (in particular ETFs) that are in different ways "qualified" as ESG in their offering documentation as they comply with the provisions of Article 8 or Article 9 of Reg. 2088/2019.

To this end, SCM adopts a process for the classification of financial instruments aimed at guaranteeing the correct indication of the investment lines categorized as sustainable. In particular, the process provides for the participation of the

corporate bodies and structures, as described below, each of which is engaged in its own specific area of operating, consultation and control competence.
Currently, the sustainable investment process adopted by SCM does not imply the consideration of PAIs (principal adverse indicators, or the "negative, significant effects or that could be significant on sustainability factors"), a circumstance expected if the offer concerns products qualified as per Article 9 of the SFDR.

The "ESG" Lines

SCM, consistent with Italian and European best practices and regulations on sustainable investments and in light of the growing interest of investors in investment services that also take sustainability criteria into account, has implemented some investment lines oriented towards sustainable investments, with a "light green" approach in accordance with different risk-return profiles, in order to allow its customers to make a consciously active choice in the area of sustainable investments.

SCM offers, as part of investment portfolio management and advisory services, the possibility of investing in portfolios characterized by asset allocation that prefer ESG investments, broken down into different risk-return profiles to meet the different customer target markets, which are increasingly demanding in terms of sustainability assessments.

At the moment, also given the extreme diversification of the financial instruments universe, the SIM has decided to arrange lines asset allocation towards sustainable investments, investing, for the most part, in asset management instruments (Funds, SICAVs and ETFs). Currently, the minimum sustainable investments threshold in ESG lines is set at 80%.

The process of structuring ESG lines pursues the objectives of meeting the needs of the target market, the objectives of ensuring certainty in the classification of financial instruments and also the objectives of simplification and efficiency in the data acquisition process.

As part of the adequacy assessment, the customer can express his interest in the sustainability of the investments and any preference in terms of sustainability factors. The offer of sustainable lines is not currently characterized by a specific sustainability objective and does not reflect a particular inclination for one or more sustainability factors.

The ESG lines currently available are qualified in compliance with Article 8 of the SFDR and are therefore characterized by an average expectation of sustainability.

Also for the investment lines that integrate a sustainability risk assessment, the SIM has adopted the same remuneration rules in place with regard to the remuneration policies and incentives and therefore:

- forms of incentive deriving from rebates by third parties are not permitted;
- the remuneration of the investment lines is the same for all available asset allocations;
- there are no ad hoc budgets on individual investment lines;
- there are no ad hoc and ad personam remunerations that are not covered by the Remuneration Policies.

It should be noted that for some time the company, as part of the governance and operating procedures it has adopted, pursues objectives to reduce the environmental impact of its core business, for example, by having substantially reduced the use of paper in the process of contract acquisition and document exchange to zero.

New regulation of the Bank of Italy on SIM supervision; 1st update of the Bank of Italy regulation implementing Article 4 undecies and 6, paragraph 1 letters b) and c) bis of the Consolidated Law on Finance.

In the second half of 2022, the Bank of Italy has published two regulatory documents to complete the transposition of the new European regulations for investment firms included in **Directive (EU) 2034/2019** (**IFD -** Investment Firms Directive) on supervision of investment firms and in **Regulation (EU) 2019/2033** (**IFR** - Investment Firms Regulation), which defines the prudential requirements of investment firms.

The IFD directive and the IFR regulation, in force in our country since 2021, establish a prudential regime for investment firms than for credit institutions, which takes into account the size, activities and risks of different types of investment firms. To this end, the SIMs are divided into four distinct categories in relation to the services offered, the operating methods adopted and the size of the assets in the financial statements.

It then regulates the prudential control process to be applied in compliance with the principle of proportionality and taking into account the characteristics, size and complexity of the activities performed by the intermediary.

The process is divided into two phases, one conducted by each SIM and the other by the Bank of Italy. In particular, as part of the first phase, which consists of the **ICARAP** (Internal capital adequacy and risk assessment process), the SIMs carry out an independent assessment, current and prospective, of the capital adequacy and of the governance system, as well as of the management of liquidity risk, in relation to the risks undertaken and the company strategies. In the second phase, known as **SREP** (Supervisory Review and Evaluation Process), the Bank of Italy, also by reviewing the reports produced by the SIMs, assesses and formulates an overall judgement, imposing corrective measures where necessary.

SCM is classified, in relation to the aforementioned criteria, as a Class 2 SIM.

On 23 December 2022, the Bank of Italy published the Supervisory Regulation on SIMs, aimed at completing the transposition into national law of the IFD/IFR framework in the exercise of the national discretions recognized to the Bank of Italy, also with a view to achieving a reorganisation of the secondary regulation on SIMs. It also implements the mandate contained in the Consolidated Law on Finance regarding the identification of the prudential regulations applicable to third-country companies that intend to operate in Italy through branch establishment. The regulatory source, which considers SIMs as recipients of choice - although it is applicable in some areas to other types of financial intermediaries - is aimed, in particular, at defining the authorisation process and the minimum initial capital, the latter commensurate with the type of investment services and activities carried out. It is also established that Class 3 SIMs are exempt from ICARAP obligations. Disclosure obligations are also outlined and include, for class 2 and 3 SIMs, the obligation to draw up a report on the organisational structure to be sent to the Bank of Italy, the company's financial statements and the consolidated financial statements, if any, as well as shareholders' meeting resolutions and reports of the control functions.

The second measure is the act by which the Bank of Italy's regulation of 5 December 2019 implementing Articles 4 -undecies and 6 paragraph 1, letters b) and c-bis) of the Consolidated Law on Finance, was updated and intended for intermediaries with regard to:

- provisions covering conflicts of interest with regard to related parties;
- organisational-prudential requirements regarding remuneration and incentive practices;
- role of the corporate bodies and proportionality criteria;

- remuneration committee.

The regulation lays down the principles of corporate governance, outlines the tasks of the body with strategic supervisory function as well as the criteria for the composition of the corporate bodies. Some exceptions are contemplated for smaller SIMs, such as the one concerning the appointment of independent directors within the body with strategic supervisory function.

Activities carried out and corporate situation

In 2022, ordinary, extraordinary and enhancement activities continued - both with regard to the information system and with regard to the management of internal and external processes - of corporate life.

New contracts

The company has merged the MIFID advisory and placement contracts into a single contract covering, in addition to the two aforementioned activities, insurance advisory.
The contract was brought into the Position Keeping system to be used in the onboarding phase, for the compilation and digital signature by customers.

Internal Manual of Operating Procedures

In the last quarter of 2022, the Organisation area has carried out the complete revision of the Internal Manual of Operating Procedures, reviewing each process with the competent areas.
The Manual has been updated and amended to better define the operations that have changed over time. Likewise, any new operational procedures that have emerged as a result of new activities have been described. Lastly, all references to external suppliers were updated.

ESG

The company has prepared the study and the analyses aimed at the ESG regulatory adjustments required by the legislator, in order to create specific product lines.
The decision was made to operate solely through the use of ETFs/ETCs in the portfolios covered by the service, with SFDR 8 and 9 classification.
The analyses - aimed at defining a valid method of valuation of the financial instruments as "ESG compliant" - were outlined in a specific document, which describes the rationale and the algorithms for carrying out a specific "marking"

of the financial instruments on the basis of the information obtained from a qualified data provider.
The document was delivered to the supplier of the Position Keeping software in order to automate the "marking" process of the financial instruments.
Specific controls were implemented and verified, in collaboration between the IT department and the Risk Manager, to assess the alignment of the ESG lines with the regulatory requirements and to monitor the universe of securities with the ESG marking.

Hardware infrastructure

The hardware equipment supporting the company's internal network infrastructure was enhanced, in particular, with the acquisition of a new UPS, a new storage system (NAS) and several Access Points.
The UPS has more power and battery life than the previous one; in addition, it is supported by an intelligent controller that allows the automatic shutdown of the server following a prolonged power failure.
The storage system (NAS) is equipped with more performing and higher-level disks, specific for high consumption activities and allows directly interfacing with the VMWare server, whose daily backups of the virtual machines contained therein are performed; specific, additional backups relating to internal databases and websites are also archived. This equipment is not exposed on the Internet, like the rest of the company's internal services, and has not been interfaced with the company domain in order to introduce an additional layer of cybersecurity.
Lastly, the devices for accessing the internal Wi-Fi network were replaced with new, more modern and secure devices, in compliance with the latest security standards.

Data Warehouse and Company Software

During 2022, the activities started in the previous year continued, with a particular focus on the two new cores of the Data Warehouse relating to the Risk Management and Marketing areas.

The Risk Management database was enhanced with the addition of new control reporting, in particular on returns and limit checking.
The Marketing database was doubled with the addition of information from the insurance customer base, in addition to the information relating to the financial world.
In 2022, a specific basis was also created for the verification of commission income and expenses from the insurance business.
The company Intranet was enhanced with the addition of new functions, including:

- management of Lombard policies to support management portfolios;
- controls relating to the management of the contractual conditions of financial transactions;
- controls relating to the PIR world;
- controls relating to line changes;
- simplification of access and search for customer emails.

The IT department has updated the automations relating to controls, reports, data import and export, removing disused tools and creating new ones, especially for the Risk and IT world.

GUARDIAN

The Guardian Asset Management software, provided by the Swiss company SWISS-REV SA, has been enhanced – both by the supplier and by specific requests of the company. Among the various achievements, the following should be noted:

- implementation of the new MIFID advisory contract, insurance advisory and placement in the onboarding and digital signature process;
- improvements in the system for the creation of internal limits;
- restyling of web interface for end customers;
- new web administration interface aimed at simplifying the management of users and authorisation profiles;
- amendment to the divestment procedure, with an indication of a different allocation of funds from the one provided at the opening of the contract;

- semi-automated forwarding of reports relating to significant losses;
- creation of an automated reporting system, with scheduling on a single position;
- specific web sections to simplify the display of costs, coupons, dividends;
- fully customisable report creation system;
- new management of ideal portfolios/mobile weights model;
- setting and management of “ESG compliant” securities marking, with specific data recovery from external data providers.

2022 also saw the conclusion of the first version, released in production and already in use, of the PFP - Personal Financial Plan software, started in 2021 and created in collaboration with RED Software.

Commercial activity

In 2022, commercial activities were also affected by the performance of the financial markets, which generated strong instability in the general macroeconomic framework and indirectly in the area of activity in which SCM operates.
In 2022, commercial activities focused on four main areas:

Unification of the Life Planner and Financial Advisor networks

During 2022, the two hitherto separate figures were unified through constant weekly alignment meetings and a process was also planned that will lead to the unification of the single incentive and remuneration policy, with progressive rates depending on the turnover achieved.
The program will become fully operational on 1 July 2023.

Network organisation

Starting from the second half of 2022, the Company appointed a new Sales Network Manager (Claudio Alberto Crippa) and at the same time the distribution structure was redesigned with a view to supporting the network.
The manager of Rome/Central South (Domenico Rossi) was confirmed and the new manager of Northern Italy (Marcello Brocca) was appointed with the aim of guiding, training and motivating the SIM advisors entrusted to their coordination.
The sales organisation includes the following elements:

- weekly meetings,
- in-depth analysis of SCM's multiple advisory services,
- regular coaching with prospects and customers,
- the creation of commercial paths and the exchange of best practices, with a view to unifying the two professional figures mentioned above.

INCREASE IN THE NUMBER OF SCM ADVISORS

During 2022, SCM continued to invest in the recruitment of new advisors from competitors.
During the year, two new resources were added, one in the Northern Italy area and one in the Central South area.
SCM recruits mainly financial advisors with significant experience in their profession, gained in competitor companies or in the commercial activities of banks; the recruitment process was entrusted exclusively to the Network Management with the involvement of the managers.
The recruitment process, extending over the medium to long term, will bring results in the coming years.
Growth by external lines remains a fundamental objective for the SIM aimed at achieving the objectives of the business plan.

LISTING ON THE GERMAN MARKET

Since June, the SCM SIM's ordinary shares have been listed on the open market segment "Quotation Board", with the same ISIN code as Euronext Growth Milan "IT0005200248" and ticker "SCM".
The advisor of the transaction was Renell Bank, which followed the various stages of the listing process.
The presence on the German stock exchange will make it possible to expand the audience of potential investors interested in the financial advisory sector and wealth management issues, in a company operating on the Italian market, which is considered particularly interesting in this phase of evolution of the European economy.

OTHER ACTIVITIES AND DISTRIBUTION SUPPORT

During 2022, a significant expansion of the commercial offer for the SCM Network was carried out.
The offer was expanded by the following elements:

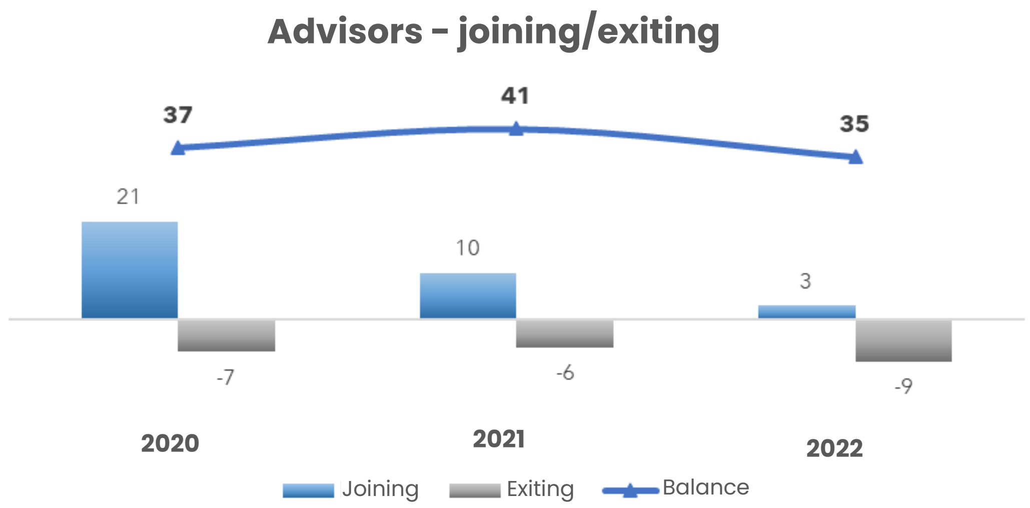
- ✓ **new management line being held**. The new service is offered with advice on the management line by Value Holding Capital Partners AG, an asset management company specialised in equity investments on behalf of customers and funds with a view to value-investing and a focus on German SMEs;
- ✓ **recurring premium policy with Nobis Vita spa**, to take advantage of the uncertainty of the market through the DCA strategy, using the ESG lines of the SIM as underlyings, which made it possible to capture a further need of our existing and prospective customers;
- ✓ **commercial partnership with the insurance company Novis**, which has allowed us to significantly diversify our offer; we were able to capture new customers and different needs, not covered by the previous commercial offer.

The new offer has allowed the **reallocation of many Eurovita customers**, combining their needs with new products, bringing significant results in the last quarter of the year.
In addition, **two new corporate business partnerships** were established in 2022 with EFG Consulting and ADVBeca. The first allowed us to help our client companies and offer to new prospective companies the opportunity to assist them in an internationalisation process, with a particular focus on the Emirates. With ADVBeca, on the other hand, we have expanded our offer with Corporate Finance proposals, concerning advice on Private Equity or Debt instruments (Mini Bond structuring)
Lastly, we completed an important **transaction for the sale of tax credits** from Superbonus with the involvement of a credit institution.

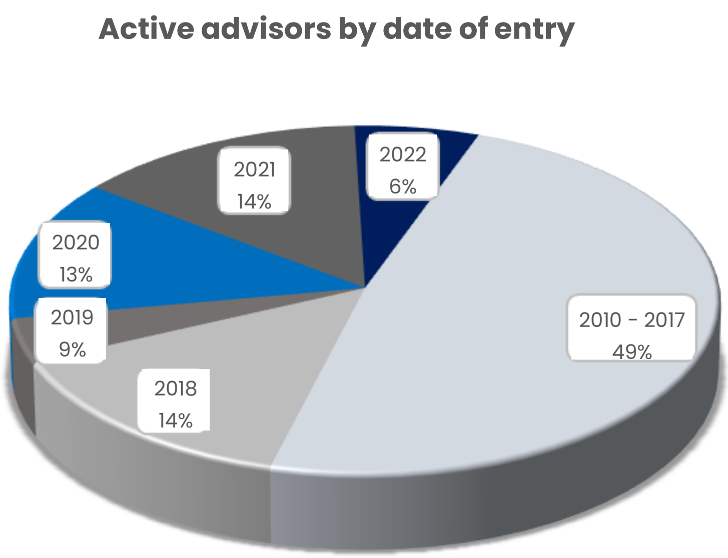
As every year, significant efforts were dedicated to the continuous **training process**, which provides for the offer of the courses necessary for the fulfilment of regulatory obligations, in addition to specific training on issues of importance for the distribution network.
A training course for the sales network is also scheduled for 2023.

Operating data

As at 31 December 2022, the company's sales network consisted of **35** advisors, of which **26** financial advisors and **9** insurance advisors.
The chart below shows the trend of the network and the number of advisors who joined and left over the last three years.



An important figure in the field of sales networks concerns their seniority since turnover largely depends on it. As can be seen in the chart below, which shows the breakdown of the network by year of entry, 33% of current advisors joined the network in the last 3 years.



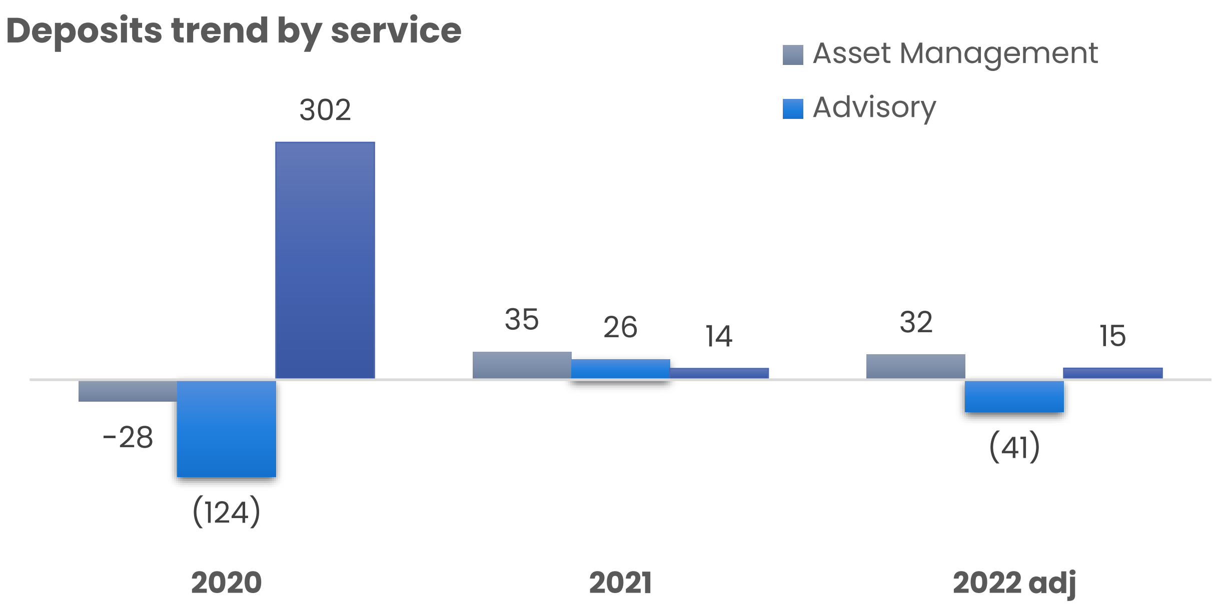
In the year 2022, net deposits of more than euro 5 million were recorded. The most important change concerned the asset management segment with a positive result exceeding euro **32** million. The insurance segment also recorded an excellent result with positive deposits of over euro 14 million, largely determined by the distribution of class III products of the insurance company Nobis.

On the other hand, deposits were negative in terms of advisory services (MiFID and generic) by approximately euro 41 million.

The following table shows the Deposits trend in the last three years.

NET DEPOSITS (€/000)	2020	2021	2022	2022 adj*
Asset Management	(27,821)	35,495	32,048	32,048
Advisory	(123,822)	25,670	(100,054)	(41,254)
Insurance	302,205	14,192	14,574	14,574
TOTAL	**150,562**	**75,357**	**(53,432)**	**5,368**

** During 2022, inactive MiFID and generic advisory accounts were terminated, which resulted in negative deposits of approximately euro 59 million. Without considering this change, total net deposits would have been positive by approximately euro 5.4 million.*



As at 31 December 2022, total assets amounted to approximately euro **848** million.

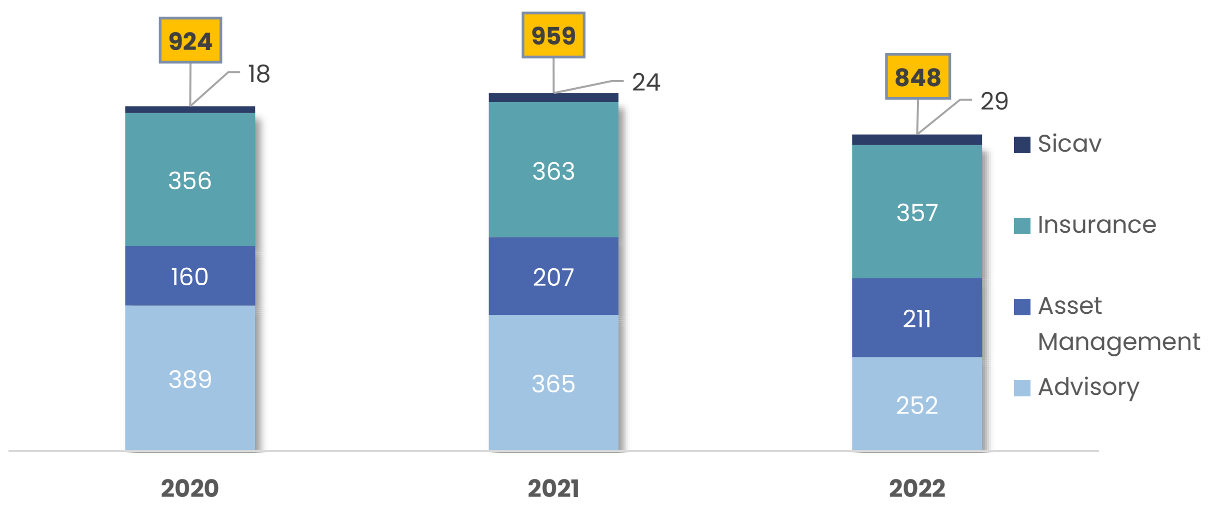
In particular, assets under management totalled euro **211** million, investment advisory totalled euro **95** million and generic advisory totalled euro **157** million.

The following table and the graph show the evolution.

ASSET UNDER CONTROL (€/000)	2020	2021	2022
Asset Management	160,052	206,973	211,055
Advisory	389,430	365,089	251,589
Insurance	356,186	362,680	356,512
Sicav	17,980	24,179	28,915
TOTAL	**923,648**	**958,921**	**848,070**

** The SCM Stable Return Sicav is used as part of the portfolio management service.*

Assets trend (€ million)



Asset management

In 2022, all portfolios had a negative return.

The war in Ukraine, the energy crisis and inflation are just some of the causes that marked one of the worst years in history for the financial markets. Unlike past crises, that of 2022 was characterized by a context in which both the equity and bond asset classes reported significant losses. The monetary policy measures, which can be summarised as an increase in interest rates and a decrease in the balance sheet, have disrupted the bond market and consequently the equity market. On the currency front, we saw a strengthening of the dollar against the other currencies, which broke the parity with the euro in September.

The management of SCM managed to contain losses thanks to the amount of liquidity held on all the main investment lines.

The bond component, identified with the Ladder line, has reported a loss of 6.7%, against bond indices that lost more than 10% (Bloomberg US Agg Total Return Value -13.01%).

On the equity front, the Aggressive line, thanks to dynamic management and good diversification, has contained losses, recording a -11.73% (MSCI World Index -17.81%).

At the same time, the lines with an average risk-return profile, such as Revaluation and Flexible, were aligned with a negative performance of around 10%.

The directional management lines, such as Chronos (Full Invested line) and PIR, were the most under pressure. Since these are lines with greater volatility, they suffered entirely from the equity market downturn.

Business model

The SCM SIM **business model** is based on the fundamental contribution of financial and insurance advisors, in terms of development concerning recruiting and customer portfolio quality, to which the increase in the SIM assets under management and advisory is strictly related, and in terms of the selection of customer targets consistent with the Company's business; the typical customer to which the offer of SIM services is addressed has in fact an average capital of more than euro 1 million.

The SCM business model is based on the offer of the following services:

a) *portfolio management service* with the offer of different management lines adapted to the customer risk profile and needs; the service, inherited from the best Anglo-Saxon tradition, mandates the management of SCM on individual current accounts in the name of the customer, guaranteeing transparency and maximum security for cross-checking between SIM and Bank; obtaining the authorization to hold the liquidity and financial instruments of customers made it possible to further rationalize the relationship with the customer with regard to the provision of the portfolio management service and the reduction of costs borne by it. In this regard, note that the aforementioned operating method allows the customer to interface with a single intermediary (the SIM), which serves the dual role of manager and custodian of the liquidity and financial instruments subject to the management service;
b) *investment advisory service, which consists in providing* personalized recommendations to the customer, exclusively on the initiative of the SIM through the Investments Area (so-called active advisory), regarding one or more transactions relating to a specific financial instrument or financial product, or with regard to a specific investment service; the selection of securities is made by the Investments Area, which transmits it directly to the customer, who has at the end the freedom to execute the order in full at its bank or to execute only a part of it;
c) *generic advisory service* regarding financial advisory that does not provide for personalized recommendations and is expressed in activities such as

portfolio risk assessment, calculation of the VAR, the Asset Allocation of a portfolio by geographical area or by business segment and the consequent preparation of multi-year investment plans by defining only the allocation strategies, exclusively at the level of type of financial instruments;

d) *placement service*, with no irrevocable commitment to the issuer, carried out in compliance with the adequacy assessment;

e) *an accessory service for the Distribution of Insurance Products,* with the aim of optimizing the products and services offered to customers. The distribution, by the Company and the relative employees entered in section "E" of the Single Register of Insurance Intermediaries, is carried out solely with reference to the placement of standardized insurance contracts.

SCM SIM aims to provide its customers, as part of generic advisory, also through partnerships with specialised professionals, with the following range of services, with the aim of retaining existing customers and, strategically, attracting new and qualified customers:

- assistance and advisory to businesses on financial structure, business strategy and related issues;
- support for M&A activities and extraordinary transactions;
- pension advisory to optimize solutions for the retirement phase;
- advisory and planning of generational handover.

Analysis of the main financial statement items

The company closed the 2022 financial statements with a negative result of euro **796,059**, which shows a significant deviation from what was expected in the planning phase, mainly due to the performance of the financial markets, which significantly penalised the commission margin.

The result is determined, first and foremost, by the performance of **fee and commission income**, which came close to euro **6.3** million, in line with the previous year, despite the absence of performance fees which had weighed in at around euro 2 million.
The amount of commission income is 2% lower than the previous year, but particularly positive results were recorded for generic and investment advice, which marked an improvement of **70%**, and for the insurance sector which increase by more than **64%**. Commissions relating to asset management also had a good performance, increasing by approximately **7%**.

Fee and commission expense, which ranged from euro 2.44 million in 2021 to euro **2.55** million in 2022, underwent a slight change (+4%), inversely with respect to the change recorded in fee and commission income, due to the different composition of revenues compared to the previous period, which included a significant portion of performance commissions on which the commission retrocession to the sales network is halved compared to ordinary commissions.

Net interest and other banking income, which exceeded euro **3.63** million, decrease by approximately euro 227 thousand compared to the previous year (-6%) as a result of the trend in the commission margin and the average retrocession to the sales network.

Operating costs, amounting to euro **4.01** million, recorded an increase (+7%) compared to the previous year. In particular, as regards personnel costs, there was a decrease of 6%, mainly due to the internal reorganisation and to the efficiency of the sales structure.

Other administrative expenses recorded a 19% increase, mainly due to the resumption of the activities that had remained unfinished due to the pandemic emergency. The main changes derive from development costs for the management platform, fees for advisory, reports and costs related to corporate events.

Lastly, with regard to the valuation of financial assets at amortized cost, old non-payable positions were cleared and the bad debt provision was reconstituted in accordance with the accounting standards currently in force, which require receivables to be classified by correct risk weighting.

Income Statement

	2021	2022	Change	% change
Interest margin	**(39,029)**	**(47,993)**	**(8,965)**	**-23%**
Fee and commission income	**6,340,430**	**6,227,856**	**(112,574)**	**-2%**
Performance	*1,992,523*	*11,616*	*(1,980,907)*	*-99%*
Fee and commission expense	**(2,445,826)**	**(2,550,896)**	**(105,070)**	**4%**
Net fee and commission income	**3,894,604**	**3,676,960**	**(217,644)**	**-6%**
Net interest and other banking income	**3,855,424**	**3,628,086**	**(227,338)**	**-6%**
Total operating costs	**(3,761,912)**	**(4,011,039)**	**(249,127)**	**7%**
EBITDA	**93,512**	**(382,953)**	**(476,464)**	**na**
Financial assets measured at amortized cost	**(82,932)**	**(116,776)**	**(33,844)**	**41%**
Amortization and depreciation	**(321,249)**	**(343,177)**	**(21,928)**	**7%**
Other income and expenses	**43,526**	**39,989**	**(3,537)**	**-8%**
EBT	**(267,143)**	**(802,917)**	**(535,774)**	**-201%**
Taxes	(4,056)	6,858	*10,914*	na

Result	**(271,199)**	**(796,059)**	**(524,860)**	**-194%**

The composition of the Balance Sheet shows assets mainly characterized by loans to customers for fees to be collected, mostly relating to revenues in the last quarter.
Compared to the previous year, the main changes include receivables from customers, which increased significantly as a result of the transactions, particularly regarding generic advisory and distribution of insurance products, carried out in the latter part of the previous year.
More specifically, receivables deriving from commissions for generic advisory services include those resulting from the transaction that the company carried out in 2022 providing assistance for the sale of euro 20 million to the bank Banca Ubae. Another significant transaction, completed during the year, in which the company acted as advisor, was that which allowed a well-known company operating on the web, also listed on the EGM market, to acquire an equity investment in a company founded by one of our customers.
The remainder concerns receivables for commissions on the distribution of insurance products and, only minimally, positions on which the company is working for recovery.
The liquidity position with banks, despite the excellent trend in deposits, decreased by 41% compared to last year, reflecting the negative trend of the economic result.
On the other hand, there was a positive decrease in advances paid to financial advisors, which fell from euro 203 thousand to euro 159 thousand.
Under liabilities, shareholders' equity decreased due to the negative economic result recorded in the period.

Balance Sheet

ASSETS	2021	2022	Change	% change
Cash	**121**	**304**	**183**	**151%**
Fin. assets held for sale	**0**	**0**	**0**	**0%**
Receivables	**2,441,167**	**2,735,255**	**294,088**	**12%**
Receivables from banks	*598,879*	*352,368*	*(246,511)*	*-41%*
Trade receivables	*1,638,753*	*2,223,769*	*585,016*	*36%*
Receivables from financial advisors	*203,535*	*159,118*	*(44,416)*	*-22%*
Fixed assets	**1,240,792**	**977,299**	**(263,493)**	**-21%**
of which tangible	*1,116,989*	*877,136*	*(239,853)*	*-21%*
of which intangible	*123,804*	*100,163*	*(23,640)*	*-19%*
Tax assets	**899,907**	**893,983**	**(5,925)**	**-1%**
Current	*72,584*	*79,442*	*6,858*	*9%*
Prepaid	*827,323*	*814,541*	*(12,783)*	*-2%*
Other assets	**611,715**	**615,297**	**3,582**	**1%**
TOTAL ASSETS	**5,193,702**	**5,222,137**	**2,667**	**0%**

LIABILITIES	2021	2022	Change	% change
Capital	**2,006,240**	**2,006,240**	**0**	**0%**
Share premium accounts	**1,076,103**	**804,904**	**(271,199)**	**-25%**
Reserves	**212,790**	**212,790**	**0**	**0%**
Valuation reserves	**(54,880)**	**(14,402)**	**40,478**	**74%**
Profit (loss) for the year	**(271,199)**	**(796,059)**	**(524,860)**	**-194%**
Shareholders' Equity	**2,969,054**	**2,213,598**	**(755,456)**	**-25%**
Payables	**1,435,676**	**1,513,171**	**77,495**	**5%**
of which to Financial Advisors	*358,021*	*631,694*	*273,673*	*76%*
of which Financial liabilities measured at amortized cost	*1,075,748*	*877,057*	*(198,691)*	*-18%*
of which to financial institutions	*1,907*	*4,420*	*2,513*	*132%*
Current tax payables	***0***	***0***	***0***	***0%***
Tax liabilities	**2,661**	**2,661**	**0**	**0%**
Other liabilities	**588,663**	**1,322,789**	**734,126**	**125%**
Employee severance indemnities	**197,649**	**170,043**	**(27,605)**	**-14%**
Total payables	**2,224,648**	**2,982,897**	**758,249**	**34%**

TOTAL LIABILITIES AND SE	**5,193,702**	**5,222,137**	**2,667**	**0%**

Internal controls

The Company has established a system of internal controls that is suitable to ensure sound and prudent management, the containment of risk and capital stability as well as a correct and transparent conduct in the provision of services.

In particular, the control system is organized as follows:

a. *first level*, consisting of line controls, is supervised by the employees of the various Company Areas and by the relevant Managers who, in carrying out the tasks assigned to them, verify the correctness of conduct in accordance with company procedures;
b. *second level,* in which the Compliance Function (responsibility assigned to Attorney Alberto Vercellati, company employee) and the Risk Management Function (outsourced to Mr. Giancarlo Somaschini) can be found;
c. *third level,* which is handled by the Internal Audit Function (entrusted to Studio Atrigna & Partners, in the person of Mr. Giovanni Malpighi).

In addition to the meetings that the individual Control Functions organize in order to exchange information and assessments in relation to their own area of competence, the SIM, in order to make its audit and monitoring activities constant, effective and efficient, defines a schedule of formal meetings between all control functions (including the members of the Board of Statutory Auditors and the independent auditors). The purpose of these meetings is to make the exchange of information between the internal control functions effective and continuous, while respecting the relevant autonomy, reciprocal roles and responsibilities, and in addition to the institutional information flows required by the reference regulations and internal procedures.

Information on financial risks

The Board of Directors of the Company, as required by the risk management policy and in line with the provisions of the reference regulations of the Bank of Italy, analysed the information on this matter, produced by the Risk Management function in order to consider the requirements relating to the internal capital adequacy assessment process and the risk assessment process and to indicate the appropriate guidelines.
The Directors' assessment is carried out on the basis of risk analysis and assessment as set forth in Regulation 2019/2033 (IFR) with reference to:

CAPITAL REQUIREMENTS

With the entry into force of the new European regulatory framework for investment companies, the Company, based on its class (class 2), must have, as the minimum limit of own funds to be held, the higher of the following elements:

- minimum capital requirement (in our case equal to euro 1 million);
- 25% of fixed overheads;
- requirement deriving from the calculation of the so-called K factors given by the sum of a series of elements envisaged to cover the various types of risk based on the activity carried out.

The elements relevant to the company are listed below:

- **"Assets under management" or "AUM"**: the value of the assets that an investment firm manages for its clients as part of discretionary portfolio management agreements and non-discretionary agreements that constitute ongoing investment advisory measured in accordance with article 17 is less than euro 1.2 billion;
- **"client money held" or "CMH"**: the amount of client money held by an investment firm, taking into account the legal provisions relating to the separation of assets and regardless of the national accounting regulations applicable to client money held by the investment firm;
- **"assets safeguarded and administered" or "ASA"**: the value of the assets that an investment firm safeguards and manages for its clients,

regardless of whether the assets are included in the investment firm's balance sheet or are segregated in other accounts;

- **"client orders handled" or "COH"**: the value of orders that an investment firm processes for clients, receiving and transmitting client orders and executing orders on behalf of clients.

On this basis, the Company must maintain a capital endowment of about euro 1 million, lower than the amount of own funds held.

CONCENTRATION RISK

The SIM is exposed to this risk only in relation to the cash and cash equivalents deposited with banks.

LIQUIDITY RISK

The Company does not have significant exposure to the Liquidity Risk, meant as default with respect to its payment commitments, thanks to the regular collection of periodic fees. Liquidity risk is controlled through the liquidity requirement: investment firms must hold a volume of liquid assets at least equivalent to one third of the requirement relating to fixed overheads.

OPERATIONAL RISK

This type includes the risk of losses deriving from the inadequacy or malfunction of procedures, human resources and internal systems, or from external events; this category includes legal risk. This includes, inter alia, losses deriving from fraud, human error, interruption of operations, system unavailability, contractual defaults, natural disasters. Legal risk, i.e. the risk of losses deriving from violations of laws or regulations, contractual or non-contractual liability or other disputes. Operational risk includes disclosure risks for internal purposes (e.g. reporting for the purposes of planning and controlling the performance of corporate activities) or external purposes (e.g. disclosure to the Supervisory Authority or the public).
The risk analysis is continuously run during the year, in particular with regard to credit risk, and shows that the SIM is exposed to credit risk mainly as a

consequence of its deposits with other intermediaries, due to its exposure to financial advisors for the advances granted and, for a very small portion of trade receivables not collected within the reference month. Given the peculiarity of the activities carried out by the SIM, the Directors did not highlight any problematic findings in the financial risks listed above, as the assets and liabilities are largely settled at the date of preparation of the financial statements. With regard to receivables from financial advisors for advances on fees, no particular problems are foreseen since the SIM has put repayment plans in place, which are always complied with, with a duration of 12 months.

Operational risks are intrinsically connected to the activity carried out by the SIM that, to deal with them, has implemented methodologies and tools for their mapping in the main company processes, arranging the internal control procedures over three levels:

- the first, the operational one, which is summarized in the figure of the CEO, is carried out by the production or back-office business areas and organizational units and takes the form of hierarchical or line controls;
- the second is entrusted to specific functions that have the task of controlling the risk management system (Risk Management Function), preventing the risk of non-compliance with regulations on the provision of services and controlling activities on the distribution network (Compliance Function) and combating money laundering and terrorist financing (Anti-money laundering Function);
- the third, internal audit, is aimed at identifying anomalous trends, violations of procedures and regulations as well as independently assessing the completeness, functionality and adequacy of the internal control system and procedures, assigned to the Internal Audit Function.

In this context, some implementations were made to the operational risk recognition process in order to obtain more objective valuations. The systems for recognizing losses are of an accounting nature and are subject to monthly monitoring through periodic financial statements drawn up on a prudent basis. Historically, however, no extraordinary operating losses were recorded for penalties, legal expenses, compensation for damages, and provisions for pending disputes.

The Board of Directors, having acknowledged the information received, believes that it is essential that the operating structures, in mapping the risks in the main company processes according to the established methodologies, continue to guarantee the effective and efficient functioning of the line controls put in place to monitor the activities carried out and to undertake all suitable initiatives to mitigate the risks identified. In particular, reference is made to the impacts deriving from the forthcoming entry into force of the new regulatory frameworks regarding environmentally sustainable investments and the distribution of insurance products, in addition to the constant improvement of the controls relating to the provision of investment services.

The Company also applies insurance coverage to protect itself from operational risks deriving from third parties or caused by third parties, including the risk of fraud deriving from the activities of financial advisors, and suitable contractual clauses to cover damages caused by suppliers of infrastructures and services.

Information on the going concern assumption

The Directors carried out a careful analysis of the events that could give rise to significant doubts regarding the going concern assumption.
On 28 February 2023, the Board of Directors approved the 2023-2025 Business Plan, which outlines the business strategy of SCM Sim for the three-year period.
This plan entails the achievement of the following objectives:
> Strengthening of the sales network with the addition of new resources.
> Development of a partnership with a new insurance broker.
> Development of the Corporate division.
> Sustainable growth of assets over the three-year period.
> Expansion of the customer base.
> Enhancement of the commercial offer.

With regard to the main actions planned by management to achieve the objectives of the Business Plan, the following initiatives are noted:

DISTRIBUTION NETWORK COLLABORATION

In 2023, the project to collaborate with an insurance intermediary that has about 1,200 advisors and about 70 thousand customers will take shape.
The collaboration is based on two pillars: the first is the granting of the financial advisor mandate to some of the operators of this network, as they are already registered in the Financial Advisors Register, but they are not operational. The business idea behind this transaction is the possibility for the advisor follow the customer in a more coordinated manner and not only in the insurance field. Each advisor has a portfolio of a few hundred customers, being a form of distribution that essentially values the sale and not the relationship, the result of a culture dating back to an actuary, A. Zillmer, who “only” in 1863, devised the way to pay a rich “one-off” commission to the agent, and recover the cost incurred on subsequent years.
Therefore, the advisor must constantly look for new customers, with a rather robust commercial commitment.

The stabilisation of a portion of revenues, through the placement of financial services, would benefit the stability of the advisor.

On the SCM side, it means acquiring financial advisors with modest recruitment work and, above all, relying on existing structures at no cost.

On the other hand, it is necessary to broaden the range of products by expanding the range of managed funds, to date only on Malta, to facilitate placement on a more retail target than the current one.

The second pillar is the direct sale of financial services to customers recommended by the intermediary, who meet the High Net Worth Individual ("HNWI") profile, typical of the SCM network.

It is conceivable that out of the total of approximately 70 thousand customers of the distribution network, approximately 10% may be targeted for the SIM and that at least 1% may become an effective customer. There are about 700 customers.

For the intermediary, a referral fee is paid in order to incentivise prospect research.

With regard to the recommendation, it is very difficult to make assumptions because it is a highly unpredictable activity, which is why, at this early stage, it is preferable not to make estimates that would have no rational basis.

MANAGEMENT OF INSURANCE COMPANIES FUNDS

Another aspect of the aforementioned collaboration concerns the underlying of the policies that are placed by this distributor.

Their reference company has created a unit-linked product with a full life, which invests in SICAVs. A collaboration was initiated with SCM so that the company delegates SCM to the management of internal funds linked to the insurance partner's policies.

The distribution network places around euro 20 million in premiums and, assuming that about half will enter the funds that have SCM as manager and that the net profitability is 0.7%, in the first year the SIM would collect euro 70 thousand from management activities. Not much in 2023, but given the recurrence of premiums, volumes and fees would triple in 2024, resulting in euro 210 thousand in revenues.

DEVELOPMENT OF THE CORPORATE DIVISION

In 2022, the company launched a number of initiatives aimed at facilitating small and medium-sized enterprises through referral to entities specialised in the construction of debt products (so-called "minibonds") or other methods of financing aimed at growth.

COMMERCIAL STRUCTURE INCENTIVE

The company has decided, in an innovative departure from the past, to experiment with a new
form of retrocession to the sales network, starting from the second half of 2023, with the aim of motivating the most deserving resources.
In the past, there was a fixed base rate and bonuses, according to deposits/turnover targets, when certain turnover thresholds were exceeded.
The new version provides for the classification of advisors into segments (initially 4), differentiated according to the level of turnover of the previous period,
which correspond to increasing commission rates; in this way, individuals should be motivated to increase their turnover to "conquer" the highest level of commissions.

CONVERSION OF LOW-PROFITABILITY ASSET

The conversion of low-profitability assets, which began last year
with results that were not entirely satisfactory, will continue in the three-year period with a greater momentum also as a result of the changes in the corporate structure of the insurance company that has the greatest presence in the portfolio of our customers.

TRAINING INVESTMENTS

The company envisages the offer of training courses to the sales network on both technical and motivational issues that would strengthen the sales capacity of the structure.

WEB CHANNEL DEVELOPMENT

The Company is evaluating targeted investments on platforms capable of generating potential opportunities for contact with target customers.

MARKETING INVESTMENTS

Commercial initiatives aimed at developing existing customers not adequately served by the current structure.

The strategic planning model contemplates three different scenarios ("Basic", "Best" and "Worst") based on different assumptions relating to the main parameters, such as the fee structure, the mix of assets under management, funding and recruitment, cost trends.

The development of the business plan has taken into consideration the variables of the reference context, assessing in particular the competitive situation and the scope for business growth, also in light of the prospects linked to the contingent situation.

Given the above, the development of the plan in the three-year period highlights the possibility of growth for the company and the achievement of the primary objective of stabilizing the economic and financial results.

The analysis of the financial and operating indicators, as well as the capital structure and the projections of the results for the following years suggest that the going concern assumption is appropriate since, in the Directors' opinion, there are no significant uncertainties that, considered individually or together, may give rise to uncertainties regarding this issue.

Other information

Information on treasury shares and/or shares of parent companies held by the company

Pursuant to art. 2428, paragraphs 3 and 4 of the Italian Civil Code, the company does not hold nor did it hold during the year any treasury shares or shares of parent companies, including through trust companies or third parties.

Information on the environment and personnel

As at 31 December 2022 the company had the following workforce:

- 4 employees with the qualification of office workers;
- 8 employees with the qualification of middle managers;
- 2 employees with the qualification of executives.

In compliance with the provisions of art. 2428, paragraph 2 of the Italian Civil Code, the company carries out its activities in line with the provisions on the environment and hygiene in the workplace.

Transactions with related parties and off-balance sheet transactions

Transactions with related parties are duly illustrated in the explanatory notes.

Research and development activities

In 2022, the Company did not carry out research and development activities.

Significant events after the end of the year and business outlook

The first months of 2023 saw the continuation of the instability related to the war events of the Russia-Ukraine conflict that broke out at the end of February last year.
The performance of the financial markets in the first part of the year was positive and made it possible to recover part of the extremely negative results accumulated in the previous period. Maintaining this situation could result in a recovery in performance fees, the lack of which is largely responsible for last year's extremely negative result.
With regard to the implications that this situation will have on the Company's fundamentals, as it is not possible at the moment to make forecasts, it is quite difficult to assess its impact, given the numerous variables that may affect it.
On 28 November 2022, the company called an Extraordinary Shareholders' Meeting to resolve on the attribution to the Board of Directors of the power to increase the share capital against payment, in one or more times, in a divisible manner, for a maximum amount of euro 2 million, including the share premium, for a period of five years.
On 28 December 2022, the Board of Directors resolved to partially exercise its authority for a share capital increase and to increase it by a maximum total amount of euro 1,083,369.60 - of which euro 300,936.00 to be allocated to the share capital increase and euro 782,433.60 to be allocated to the share premium reserve - by issuing a maximum of 300,936 shares, with no par value, having the same characteristics as the outstanding shares, with regular dividend rights, to be offered as an option to shareholders. The unit subscription price was set at euro 3.60 (including the share premium) per share and the option ratio at 3 new ordinary shares for every 20 ordinary shares held.
The share capital increase transaction in progress will close on 31 March 2023.
From a business point of view, the most relevant news is the start of the recruitment effort on an insurance-matrix network, which, despite having very different characteristics from the current network, could generate advantages in

terms of size of the sales network and important synergies from the combination of the two partner companies' offerings.

As laid down in the business plan, this action is essential to make an important contribution to the company's income statement, determining an increase in managed assets and a prospect of revenues from other services, which are fundamental for the pursuit of economic balance.

In the first few months of 2023, the economic performance was positively affected by various factors, including the execution of some significant advisory contracts with institutional customers, the positive deposits on asset management and, lastly, several contracts of generic advisory with which we have provided customers with a service that has allowed them to benefit from the advantages deriving from the latest regulatory updates on tax credits.

At the date of preparation of this document, the economic results for the current year are therefore expected to be in line with the best forecasts contained in the business plan approved by the Board of Directors on 28 February 2023.

Lastly, the capital increase in progress, which will be used to fully cover the loss for the year 2022, contributes to the improvement of the capital situation, which is instrumental in meeting regulatory requirements.

Allocation of the result for the year

The Board of Directors, in compliance with the legal provisions and the provisions of the Articles of Association, proposes to the Shareholders' Meeting to cover the loss of euro 796,059 by using the item "Share premium reserve" for the same amount.

Milan, 21 March 2023

THE CHAIRPERSON OF THE BOARD OF DIRECTORS

Maria Leddi

The undersigned, Maria Leddi, legal representative of the company SOLUTIONS CAPITAL MANAGEMENT SIM S.p.A., aware of the criminal liability envisaged in the event of false declaration, certifies, pursuant to art. 47 of Presidential Decree 445/2000, the correspondence of this document to the document kept in the Company's records.

Stamp duty paid virtually through the Milan Chamber of Commerce, authorization no. 3/4774/2000 of 19/07/2000.

Legal Representative

Maria Leddi

SOLUTIONS CAPITAL MANAGEMENT SIM S.P.A.

Joint-stock company

Consob Resolution no. 17202 of 2 March 2010 - Enrolled in the Register of SIMs under no. 272

Member of the National Guarantee Fund

Registered office in Milan - Via Gonzaga, 3

Resolved Share Capital euro 2,707,176, subscribed and paid-up euro 2,094,264

Registered with the Chamber of Commerce, Industry, Craft and Agriculture of MILAN

Tax Code and Company Register no. 06548800967

VAT number. 06548800967 - Rea (Economic and Administrative Index) no.: 1899233

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

Prepared according to international standards (IAS / IFRS)

Board of Directors

Maria Leddi	Chairperson of the Board of Directors
Antonello Sanna	Chief Executive Officer
Eugenio Tornaghi	Director
Francesco Barbato	Director
Roberto Santoro	Director
Antonio Somma	Director
Massimo Nicolazzi	Director

Board of Statutory Auditors

Massimo Mariani	Chairperson
Pierluigi Di Paolo	Standing Auditor
Aldo Campagnola	Standing Auditor
Luca Oliva	Alternate Auditor
Luca Savino	Alternate Auditor

Independent Auditors

Crowe Bompani S.p.A.

FINANCIAL STATEMENTS

BALANCE SHEET

Values in units of Euro

ASSET ITEMS	31/12/2022	31/12/2021
10. Cash and cash equivalents	**304**	**121**
20. Financial assets measured at fair value through profit or loss	**-**	**-**
a) financial assets held for trading	-	-
40. Financial assets measured at amortized cost	**2,735,255**	**2,441,167**
a) receivables from banks	351,868	598,879
c) trade receivables	2,383,387	1,842,288
80. Tangible assets	**877,136**	**1,116,989**
90. Intangible assets	**100,163**	**123,804**
100. Tax assets	**893,983**	**899,907**
a) current	79,442	72,584
b) prepaid	814,541	827,323
120. Other assets	**615,296**	**611,715**
TOTAL ASSETS	**5,222,136**	**5,193,703**

LIABILITY AND EQUITY ITEMS	31/12/2022	31/12/2021
10. Financial liabilities measured at amortized cost	**1,513,171**	**1,435,676**
a) payables	1,513,171	1,435,676
60. Tax liabilities	**2,661**	**2,661**
a) current	-	-
b) deferred	2,661	2,661
80. Other liabilities	**1,322,788**	**588,663**
90. Employee severance indemnities	**170,043**	**197,649**
110. Capital	**2,006,240**	**2,006,240**
140. Share premium accounts	**804,904**	**1,076,103**
150. Reserves	**212,790**	**212,790**
160. Valuation reserves	**(14,402)**	**(54,880)**
170. Profit (loss) for the year	**(796,059)**	**(271,199)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,222,136**	**5,193,703**

INCOME STATEMENT

ITEMS	31/12/2022	31/12/2021
10. Net trading profit (loss)	**-**	**-**
30. Gains (losses) on disposal or repurchase of:	**(881)**	**(152)**
a) financial assets measured at amortized cost	(881)	(152)
50. Fee and commission income	**6,227,856**	**6,340,430**
60. Fee and commission expense	**(2,550,896)**	**(2,445,826)**
70. Interest income and similar revenues	**294**	**-**
80. Interest expense and similar charges	**(48,288)**	**(39,029)**
90. Dividends and similar income	**-**	**-**
110. NET INTEREST AND OTHER BANKING INCOME	**3,628,086**	**3,855,424**
120. Net value adjustments/write-backs for credit risk of:	**(116,776)**	**(82,932)**
a) financial assets measured at amortized cost	(116,776)	(82,932)
130. NET PROFIT (LOSS) FROM FINANCIAL OPERATIONS	**3,511,310**	**3,772,492**
140. Administrative expenses:	**(4,011,039)**	**(3,761,913)**
a) personnel expenses	(1,805,608)	(1,910,834)
b) other administrative expenses	(2,205,431)	(1,851,079)
160. Net value adjustments/write-backs on tangible assets	**(290,662)**	**(288,104)**
170. Net value adjustments/write-backs on intangible assets	**(52,515)**	**(33,145)**
180. Other operating income and expenses	**39,989**	**43,526**
190. OPERATING COSTS	**(4,314,227)**	**(4,039,635)**
240. PRE-TAX PROFIT (LOSS) FROM CURRENT ASSETS	**(802,917)**	**(267,143)**
250. Income taxes for the year on current operations	**6,858**	**(4,056)**
260. PROFIT (LOSS) AFTER TAXES FROM CURRENT ASSETS	**(796,059)**	**(271,199)**
280. PROFIT (LOSS) FOR THE YEAR	**(796,059)**	**(271,199)**

STATEMENT OF COMPREHENSIVE INCOME

Items	31/12/2022	31/12/2021
10. Profit (loss) for the year	**(796,059)**	**(271,199)**
Other income components net of taxes without reversal to the income statement		
70. Defined benefit plans	**40,478**	**(13,913)**
Other income components net of taxes with reversal to the income statement		
110. Exchange rate differences		
140. Financial assets (other than equity securities) measured at fair value through other comprehensive income		
170. Total other income components net of taxes	**40,478**	**(13,913)**
180. Comprehensive income (Item 10 + 170)	**(755,581)**	**(285,112)**

STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

Year 2022	Balance as at 31.12.2021	Change in opening balances	Balance as at 01.01.2021	Allocation of previous year’s result		Changes for the year						Comprehensive income 31.12.2022	Shareholders’ equity as at 31.12.2022
							Transactions on shareholders’ equity						
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Other changes		
Share capital	2,006,240		2,006,240										2,006,240
Share premium account	1,076,103		1,076,103	(271,199)									804,904
Reserves of													
a) profits	204,364		204,364										204,364
b) others	8,426		8,426										8,426
Valuation reserves	(54,880)		(54,880)								40,478		(14,402)
Equity instruments													
Treasury shares													
Profit (loss) for the year	(271,199)		(271,199)	271,199								(796,059)	(796,059)
Shareholders’ Equity	**2,969,054**		**2,969,054**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**40,478**	**(796,059)**	**2,213,473**

Year 2021	Balance as at 31.12.2020	Change in opening balances	Balance as at 01.01.2021	Allocation of previous year's result		Changes for the year						Comprehensive income 31.12.2021	Shareholders' Equity as at 31.12.2021
							Transactions on shareholders' equity						
				Reserves	Dividends and other allocations	Changes in	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Other changes		
Share capital	2,006,240		2,006,240										2,006,240
Share premium account	1,215,582		1,215,582	(139,479)									1,076,103
Reserves of			-										
a) profits	204,364		204,364										204,364
b) others	8,426		8,426										8,426
Valuation reserves	(40,967)		(40,967)								(13,913)		(54,880)
Equity instruments													
Treasury shares													
Profit (loss) for the year	(139,479)		(139,479)	139,479								(271,199)	(271,199)
Shareholders' Equity	**3,254,166**		**3,254,166**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(13,913)**	**(271,199)**	**2,969,054**

CASH FLOW STATEMENT	31/12/2022	31/12/2021
Direct method		
A. OPERATING ACTIVITIES		
1. Management	**- 342,965**	**137,189**
interest income collected		
interest expense paid	- 47,994	-39,029
dividends and similar income		
net fee and commission income	3,676,960	3,894,604
personnel expenses	- 1,805,608	-1,910,834
other costs	- 2,288,040	-1,954,014
other revenues	121,717	146,462
taxes and duties		
costs/revenues relating to groups of assets held for sale and net of the tax effect		
2. Cash flow generated/absorbed by financial assets	**61,779**	**-283,028**
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 amortized cost		
other assets	61,779	-283,028
3. Cash flow generated/absorbed by financial liabilities	**67,776**	**-83,953**
financial liabilities measured at amortized cost		
financial liabilities held for trading		
financial liabilities designated at fair value		
payables to financial institutions		
other liabilities	67,776	-83,953
Net cash flow generated/absorbed by operating activities	**- 213,410**	**-229,792**
B. INVESTMENT ACTIVITIES		
1. Cash flow generated by	**-**	
sales of equity investments		
dividends collected on equity investments		
sales of tangible assets		
sales of intangible assets		
sales of business units		
2. Cash flow absorbed by	**33,418**	**97,638**
purchases of equity investments		
purchases of tangible assets	4,543	6,102
purchases of intangible assets	28,875	91,536
purchases of business units		
Net cash flow generated/absorbed by investment activities	**- 33,418**	**97,638**
C. FUNDING ACTIVITIES		
issues/purchases of treasury shares		
issues/purchases of equity instruments		
dividend distribution and other purposes		
Net cash flow generated/absorbed by funding activities	**-**	**-**
NET CASH FLOW GENERATED/ABSORBED DURING THE YEAR	**- 246,828**	**-132,154**
RECONCILIATION		
Cash and cash equivalents at the beginning of the year	599,000	731,154
Total net cash flow generated/absorbed during the year	- 246,828	-132,154
Cash and cash equivalents: effect of changes in exchange rates		
Cash and cash equivalents at the end of the year	**352,172**	**599,000**

Explanatory Notes to the Financial Statements as at 31/12/2022

FOREWORD

The explanatory notes are divided into the following parts:

1) part A - Accounting policies;

2) part B - Information on the balance sheet;

3) part C - Information on the income statement;

4) part D - Other information.

Each part of the notes is divided into sections, each of which illustrates a single aspect of company management. The sections contain both qualitative and quantitative information. Quantitative information usually consists of items and tables. The items and tables that do not present amounts, neither for the year to which the financial statements refer nor for the previous one, are not indicated.

In addition to those expressly provided for by international accounting standards and the Bank of Italy Order of 29 October 2021 (“The Financial Statements of IFRS Intermediaries other than Banking Intermediaries”), supplemented by the amendments laid down in the Bank of Italy Order of 17 November 2022 (“The Financial Statements of IFRS Intermediaries other than Banking Intermediaries”), the rules of which will apply in full to the financial statements for the financial year ended or in progress as at 31 December 2023, the Explanatory Notes also provide all other information not required for the purpose of guaranteeing adequate disclosure.

PART A - ACCOUNTING POLICIES

A1. GENERAL PART

Section 1 - Declaration of compliance with international accounting standards

These Financial Statements were prepared in application of Italian Legislative Decree no. 38 of 28 February 2005 and according to the international accounting standards IAS/IFRS, as interpreted by the International Financial Reporting Interpretation Committee (IFRIC) and adopted by the European Union.

The international accounting standards were also applied with reference to the "Systematic framework for the preparation and presentation of financial statements".

Where necessary - in the absence of a standard or an interpretation applicable to the individual case - the Administrative Body used its own judgement in developing and applying an accounting standard to provide adequate and reliable disclosure, for the purposes of the economic decisions to be made by the users, so that the financial statements:

- accurately represent the equity, financial situation, economic result and cash flows of the investment company;
- reflect the economic substance of the transactions, other events and circumstances and not merely the legal form;
- are neutral, i.e. free from prejudices;
- are prudent;
- are complete with respect to all relevant aspects.

In compliance with art. 5 of Italian Legislative Decree no. 38/2005, if, in exceptional cases, the application of a provision envisaged by the international accounting standards is incompatible with a true and fair view of the equity, financial position and economic result, the provision is not applied. In this case, the reasons for the derogation and its influence on the representation of the equity, financial position and economic result are explained in the explanatory notes.

In the financial statements, any profits deriving from the exception are recorded in a non-distributable reserve. In 2022, there were no exceptional cases and, therefore, it was not necessary to apply the exceptions described above.

Section 2 - General preparation principles

The financial statements as at 31 December 2022 were prepared on the basis of the Instructions issued by the Bank of Italy, in the exercise of the powers established by Article 9 of Legislative Decree no. 38/2005, with the Provision of 29 October 2021 for the preparation of the financial statements of IFRS intermediaries other than banking intermediaries, supplemented by the amendments laid down in the Provision of the Bank of Italy of 17 November 2022 ("The financial statements of IFRS intermediaries other than banking intermediaries"), the rules of which will apply in full to the financial statements for the year ended or in progress as at 31 December 2023. These instructions establish in a binding manner the financial statements and the relevant preparation procedures, as well as the contents of the Explanatory Notes.

The Financial Statements consist of the mandatory accounting schedules envisaged by IAS 1, i.e. the balance sheet, income statement, cash flow statement, statement of comprehensive income and statement of changes in shareholders' equity, as well as these explanatory notes and are accompanied by the directors' report on operation.

The currency of presentation of the financial statements is the Euro. The financial statement balances and the explanatory notes are expressed in Euro.

The financial statements have been prepared with clarity and give a true and fair view of the equity position, the financial position and the economic result for the year. If the information required by the international accounting standards and by the provisions contained in the aforementioned measures issued by the Bank of Italy is insufficient to provide a true and fair, relevant, reliable, comparable and understandable representation, the additional information necessary for this purpose is provided in the explanatory notes.

The figures in the official financial statements as at 31 December 2022 are compared with the financial statements as at 31 December 2021.

The Financial Statements of Solutions Capital Management SIM S.p.A. (hereinafter also "SCM S.I.M. S.p.A.") are audited by the company Crowe Bompani S.p.A., registered in the register of statutory auditors established at the Ministry of Economy and Finance.

The financial statements were prepared on a going concern basis, according to the principle of accounting on an accrual basis, in compliance with the principle of relevance and significance of information, the prevalence of substance over form and with a view to encouraging consistency with future presentations.

Assets and liabilities, costs and revenues are not offset against each other, unless this is permitted or required by the international accounting standards or by the provisions contained in the Measure issued by the Bank of Italy. If an asset or liability entry falls under more than one balance sheet item, if this is necessary for the purposes of understanding the financial statements, the explanatory notes also state that this can be referred to items other than the one in which it is recorded.

Items of a different nature or function were presented separately unless they were considered irrelevant.

In recognizing operating events in the accounting records, importance was given to the principle of economic substance with respect to that of form.

Section 3 - Events after the reporting date

On 28 November 2022, the company called an Extraordinary Shareholders' Meeting to resolve on the attribution to the Board of Directors of the power to increase the share capital against payment, in one or more times, in a divisible manner, for a maximum amount of euro 2 million, including the share premium, for a period of five years.

On 28 December 2022, the Board of Directors resolved to partially exercise its authority for a share capital increase and to increase it by a maximum total amount of euro 1,083,369.60 - of which euro 300,936.00 to be allocated to the share capital increase and euro 782,433.60 to be allocated to the share premium reserve - by issuing a maximum of 300,936 shares, with no par value, having the same characteristics as the outstanding shares, with regular dividend rights, to be offered as an option to shareholders. The unit subscription price was set at euro 3.60 (including the share premium) per share and the option ratio at 3 new ordinary shares for every 20 ordinary shares held.

The share capital increase transaction in progress will close on 31 March 2023.

With regard to significant events that took place in 2023 and had no impact on the financial statements for the year 2022, please refer to the Directors' Report on Operations.

Section 4 - Other aspects

The preparation of the financial statements also requires the use of estimates and assumptions that may have significant effects on the values recorded in the balance sheet and income statement. The preparation of these estimates implies the use of available information and the adoption of subjective assessments. In consideration of this, it cannot be excluded that the assumptions made, however reasonable, may not be confirmed in the future scenarios in which the company will operate. The results that will be recorded in the future could therefore differ from the estimates made for the purposes of preparing the financial statements and consequently it could be necessary to make adjustments that are not currently foreseeable or that cannot be estimated with respect to the book value of the assets and liabilities recorded in the financial statements.

The main cases in which the use of subjective assessments is required by the Directors in the preparation of these financial statements are:

- the valuation of the recoverable value of the receivables, also with reference to the fee advances paid to the financial advisors;

- estimates and assumptions on the recoverability of deferred tax assets recognized in the financial statements.

With reference to the preparation of the financial statements according to the going concern criteria, please refer to the report on operations.

Risks, uncertainties and impacts of the COVID-19 epidemic

The risks and uncertainties generated by the COVID-19 pandemic did not cast doubt on the company's ability to continue to operate as an operating entity. Therefore, there are no doubts as to the going concern.

During the year, there were no significant changes in the estimates due to COVID-19.

Amendment to IFRS 16

The Company did not apply the practical expedient envisaged by Regulation (EU) no. 1434/2020.

A.2 MAIN ITEMS IN THE FINANCIAL STATEMENTS

The criteria adopted with reference to the classification, recognition, measurement and derecognition of the various asset and liability items of the balance sheet, as well as the recognition criteria of the income components, are illustrated below.

Financial assets measured at fair value through profit or loss

Financial assets other than those classified under "Financial assets measured at fair value through other comprehensive income" and "Financial assets measured at amortized cost" are classified in this category.

Financial assets held for trading

a) Recognition criteria

Financial assets are initially recognized on the settlement date for debt securities, equity securities and UCITS units, on the disbursement date for loans and on the subscription date for derivative contracts.

Upon initial recognition, financial assets measured at fair value through profit or loss are recognized at fair value, which normally corresponds to the amount paid, without considering transaction costs or income directly attributable to the financial instrument, which are recognized in the income statement.

b) Classification criteria

A financial asset (debt securities, equity securities, loans, UCITS units) is classified as held for trading if it is managed with the objective of realizing cash flows through sale, i.e. if it is associated with the Business Model "Other", as

- acquired with a view to being sold in the short term;
- part of a portfolio of financial instruments that are managed jointly and for which there is a proven strategy aimed at achieving profits in the short term.

c) Measurement criteria

After initial recognition, financial assets held for trading are measured at fair value through profit or loss.

d) Derecognition criteria

Financial assets are derecognized when they are sold or repaid, substantially transferring all related risks/benefits.

Financial assets measured at amortized cost

a) Recognition criteria

The initial recognition of the financial asset takes place on the date on which the SIM acquires the right to payment of the amounts contractually agreed; they are recognized at fair value, normally corresponding to the amount disbursed or the consideration paid, to which any directly attributable transaction costs/income are added.

b) Classification criteria

Financial assets are recognized in this category if both conditions are met:

the objective of their ownership lies in the collection of contractual cash flows ("Hold to Collect" business model);

the related contractual flows are represented solely by payments of principal and interest on the principal to be repaid (i.e. which require the passing of the so-called "SPPI test").

Receivables include receivables from banks in relation to the current accounts held with them, trade receivables and receivables from financial advisors.

c) Measurement criteria

Financial assets, after initial recognition, are measured at amortized cost; the amortized cost method is not used for those assets whose short duration makes the effect of the application of the discounting logic negligible. These assets are valued at historical cost and any costs/income referring to them are attributable to the income statement on a straight-line basis over the contractual duration of the receivable.

At the end of each year or half-year, financial assets are reviewed to identify those which, following the occurrence of events after their recognition, show objective evidence of possible impairment. Value adjustments are recorded with a balancing entry in the income statement.

The original value of the assets is restored in subsequent years to the extent that the reasons that led to the adjustment cease to exist, provided that this valuation is objectively linked to an event that occurred after the adjustment. The write-back is recorded in the income statement, and cannot in any case exceed the amortized cost that the asset would have had in the absence of previous adjustments.

d) Derecognition criteria

The financial assets sold are derecognized from the financial statements only if the sale entails the substantial transfer of all the risks and benefits associated with the assets in question. On the other hand, if the risks and benefits relating to the assets sold have been maintained, they continue to be recorded among the assets in the financial statements, even if legally the ownership of the financial asset has been effectively transferred.

If it is not possible to ascertain the substantial transfer of the risks and benefits, the financial assets are derecognized from the financial statements if no type of control has been maintained over them. Otherwise, retaining even just a part of this control entails the maintenance in the financial statements of the financial assets to an extent equal to the residual involvement, measured by the exposure to changes in value of the assets sold and to changes in their cash flows.

Lastly, the financial assets sold are derecognized from the financial statements if the contractual rights to receive the related cash flows are retained, with the simultaneous assumption of an obligation to pay said flows, and only them, to other third parties.

Tangible assets

a) Recognition criteria

Tangible assets are initially recognized at cost, meaning the purchase price including any additional charges directly attributable to the purchase and commissioning of the asset.

Post-purchase expenses increase the book value of the asset or are recognized as separate assets only when they result in an increase in future economic benefits deriving from the use of the investments. Other expenses incurred subsequently to the acquisition are recognized in the income statement in the year in which they were incurred.

b) Classification criteria

The aggregate includes tangible assets held to be used in the production or supply of goods and services or for administrative purposes and which are expected to be used for more than one period. The tangible assets of the SIM include furniture and fixtures, electronic machines, generic systems and various equipment and mobile radio.

c) Measurement criteria

Tangible assets are measured at cost, net of depreciation and any impairment losses. The depreciable amount is systematically allocated over the useful life, adopting the straight-line method of depreciation.

The useful life of tangible assets subject to depreciation is periodically tested; in the event of adjustments to the initial estimates, the related depreciation is consequently changed. It is also assessed, at each reporting date, whether there is any indication that an asset may have suffered an impairment loss. In this case, the recoverable value of the asset is determined, i.e. the higher of the net sale price and the value in use. If the conditions that led to the recognition of the impairment loss no longer apply, the recoverable value of that asset must be estimated.

d) Derecognition criteria

A tangible asset is derecognized from the balance sheet at the time of disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

e) Criteria for the recognition of income components

Both depreciation, calculated "pro rata temporis", and any impairment losses are recognized in the income statement under "Net value adjustments / write-backs on tangible assets". The depreciation rate used in reference to the assets owned is indicated in detail:

- Furniture 12%
- Furnish 15%
- Electronic office equipment 20%
- Generic plants 15%

Intangible assets

a) Recognition criteria

Assets without physical substance are recorded as assets when they are identifiable, controlled by the company, able to produce future economic benefits, and their cost can be reliably determined. Expenses incurred after the initial purchase are capitalized only if they increase the future economic benefits of the specific capitalized asset, otherwise they are charged to the income statement.

b) Classification criteria

These are licenses for software programs used for administrative purposes and that are expected to be used for more than one period.

c) Measurement criteria

After initial recognition, intangible assets are measured at cost, net of accumulated amortization and any accumulated impairment losses. Intangible assets acquired through business combinations are measured at the time of initial recognition at fair value.

d) Derecognition criteria

An intangible asset is derecognized from the balance sheet at the time of disposal or when no future economic benefits are expected.

e) Criteria for the recognition of income components

Intangible assets with a finite useful life are amortized and recorded net of the relative accumulated amortization, calculated systematically on the basis of the estimated useful life in relation to the period in which the economic benefits are obtained, and net of any impairment losses.

Current and deferred taxation

a) Recognition and classification criteria

Current tax items include receivables (current assets) and payables to be paid (current liabilities) for income taxes pertaining to the period.

Deferred tax items, on the other hand, represent income taxes recoverable in future periods for “deductible temporary differences” (deferred assets) and income taxes payable in future periods for “taxable temporary differences” (deferred liabilities). “Taxable temporary differences” are those that in future periods will determine taxable amounts and “deductible temporary differences” are those that in future years will determine deductible amounts. Lastly, deferred assets include tax losses based on the assumption of their future recoverability.

Prepaid and deferred taxes are accounted for at equity level with open balances and without offsetting, including the former in the item “Tax assets” and the latter in the item “Tax liabilities”.

Deferred tax assets are recognized if there is a likelihood of recovery in a reasonable period of time.

b) Measurement criteria

Deferred taxes are determined on the basis of the balance sheet liability method, taking into account the tax effect related to the temporary differences between the carrying amount of assets and liabilities and their tax value, which will determine taxable or deductible amounts in future periods. Deferred taxes are calculated by applying the tax rates established by the legal provisions in force to the taxable temporary differences, and to the deductible temporary differences for which there is the probability of an effective recovery.

c) Derecognition criteria

Current tax receivables and payables are eliminated from the balance sheet only after recovery of the tax credit and payment of the amount due to the tax authorities. Deferred tax receivables and payables are eliminated from the balance sheet when the temporary differences that generated them are reversed during the year.

d) Criteria for the recognition of income components

If the deferred tax assets and liabilities refer to components that have affected the income statement, income taxes serve as the balancing entry. Income taxes, calculated in compliance with national tax legislation, are accounted for as a cost on the basis of the accrual principle, in line with the methods for recognizing the costs and revenues that generated them in the financial statements. Therefore, they represent the balance of current and deferred taxes relating to the income for the year.

If the deferred tax assets and liabilities refer to components that have affected the shareholders’ equity, the balancing entry is the adjustment of the corresponding balance sheet item.

Other assets

This item includes assets not attributable to other balance sheet asset items. The item may include, for example:

- accrued income and prepaid expenses not attributable to other assets;
- tax receivables other than those classified under item "100. Tax assets".

Financial liabilities measured at amortized cost

a) Recognition criteria

The first recognition is made on the basis of the fair value, normally equal to the amount collected or the issue value plus any additional costs/income directly attributable to the individual funding or issue transaction and not repaid to the creditor counterparty.

b) Classification criteria

The item includes the sub-items "Payables" and "Outstanding securities" and, specifically, the sub-item "Payables" includes the company's payables to financial advisors and those relating to lease and rental fees (Lease payables).

c) Measurement criteria

After initial recognition, these liabilities, net of any repayments and/or repurchases, are measured at amortized cost using the effective interest rate method, with the exception of short-term liabilities, which remain recognized at their nominal value as the effect of discounting is negligible, and any related costs charged are attributed to the income statement on a straight-line basis over the contractual duration of the liability.

d) Derecognition criteria

Financial liabilities are derecognized from the financial statements when they have expired or are extinguished. A financial liability is extinguished when the debt is settled by paying the creditor in cash or through other financial assets, goods or services or is legally released from primary responsibility for the liability.

Other liabilities

This item includes liabilities not attributable to other balance sheet liability items.

This item includes, for example:

- payables associated with the payment of non-financial goods and services;
- sundry tax payables other than those recognized in item "60. Tax liabilities", connected, for example, to withholding agent activities.

Employee severance indemnities

As a result of the supplementary pension reform, pursuant to Italian Legislative Decree 252/2005, the portions of employee severance indemnities accruing from 1 January 2007 constitute a “defined contribution plan”. The charge relating to the portions is determined on the basis of the contributions due without the application of any actuarial method.

On the other hand, employee severance indemnity accrued up until 31 December 2006 continues to constitute a “post-employment benefit” of the “defined benefit plan” series and, as such, requires the determination of the value of the obligation on the basis of actuarial assumptions and must be subject to discounting since the payable can be extinguished significantly after the employees have provided the related work.

The amount recorded as a liability is equal to:

(a) the present value of the defined benefit obligation at the reporting date;

(b) plus any actuarial gains (less any actuarial losses) recognized in a specific equity reserve;

(c) less the fair value at the reporting date of any plan assets.

The Company, in relation to the recognition of actuarial gains/losses, in accordance with IAS 19, in force since 2013, recognizes these components directly in shareholders’ equity under valuation reserves. “Actuarial gains/losses” include the effects of adjustments deriving from the reformulation of previous actuarial assumptions as a result of actual experience or due to changes in the same assumptions.

For the purposes of discounting, the “Projected unit credit” method is used, which considers each individual service period as giving rise to an additional unit of severance indemnity, thus measuring each unit, separately, to construct the final obligation. This additional unit is obtained by dividing the total expected service by the number of years elapsed from the time of hiring to the expected date of settlement. The application of this method envisages the projection of future outlays on the basis of historical statistical analyses and the demographic curve and the financial discounting of these flows on the basis of a market interest rate. The rate used for discounting is determined with reference to the market rates recorded at the balance sheet date of “high quality corporate bonds” or to the yields of securities characterized by a low credit risk profile.

Share capital and equity reserves

The values relating to the share capital and equity reserves are recognized at their nominal value.

Translation of items expressed in foreign currency

Transactions expressed in foreign currency are converted into euro using the exchange rate on the date of the transaction. At the end of the year, no payables or receivables in foreign currency were recognized in the financial statements.

Revenues

Revenues are measured at the fair value of the consideration received or due and are recognized in the accounts when all the following conditions are met:

- the amount of revenues can be reliably measured;

- it is probable that the economic benefits deriving from the transaction will flow to the company;

- the stage of completion of the transaction at the reporting date can be reliably measured;

- the costs incurred for the transaction and the costs to be incurred to complete it can be reliably calculated.

Revenues recognized for the provision of services are measured in accordance with the stage of completion of the transaction.

Costs

Costs are accounted for at the time they are incurred. They represent monetary or equivalent amounts paid or the fair value of other considerations paid to purchase an asset, at the same time as the purchase or, where applicable, the amount attributed to that asset at the time of initial recognition as set out in the specific provisions of the IFRS.

IFRS 16

The new standard IFRS 16 - *Leases* published by the IASB on 13 January 2016 and endorsed through Regulation (EU) 2017/1986 of 31 October 2017 governs the recognition, measurement, exposure and information that companies must report in the explanatory notes with regard to contracts that meet the definition of lease, as envisaged by the same standard.

IFRS 16 therefore replaced the following standards and interpretations:

IAS 17 Leases;

IFRIC 4 Determining whether an Arrangement Contains a Lease;

SIC 15 Operating Leases - Incentives;

SIC 27 Evaluating the Substance of Transactions in the Legal Form of a Lease.

The new standard no longer envisages two distinct methods of accounting for lease contracts on the basis of their classification as operating leases or finance leases (as instead envisaged by the previous IAS 17), but a single accounting recognition model, based on which the lessee notes:

- in the Balance Sheet, under assets, the right of use (ROU) of the underlying asset, and under liabilities, the considerations to be paid over the term of the contract;
- in the income statement, the amortization of the ROU and the interest expense on the Lease liability, with decreasing trend based on the progressive decrease of the payable.

According to paragraph 9 of IFRS 16, a contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The entity has two approaches to adopting the new standard:

a) the complete retrospective approach;

b) the modified retrospective approach (cumulative catch-up effect method).

According to the first approach, the entity applies IFRS 16 as if it had always applied it, requesting the modification of the comparative periods, while according to the modified approach the cumulative impact deriving from the application of IFRS 16 is accounted for as an adjustment to the initial shareholders' equity of the accounting period in which the new standard is applied for the first time.

In turn, this simplified approach envisages two variants.

In the first variant of the modified retrospective approach, the asset consisting of the right of use is recognized, at the date of initial application (1 January 2019), at an amount equal to the lease liability, using the current marginal borrowing rate of the entity.

In the second variant of the modified retrospective approach, the right-of-use asset is calculated retrospectively (i.e. as if IFRS 16 had always been in force) unless practical expedients can be used to use the marginal borrowing rate prevailing at the date of initial application (in place of the rate prevailing at the start of the lease or the implied rate of the lease). Also in this case, the comparative period is not restated; therefore, the comparability will be reduced with respect to the full retrospective method.

The second variant of the modified retrospective approach is more complex as it requires the retrospective calculation of the asset consisting of the right of use.

However, full retrospective application is simpler since the entity has practical expedients at its disposal, such as, for example, the use of the marginal borrowing rate at the date of first application of the standard. The difference between the asset and the liability recognized at the date of initial application is recorded as an adjustment to the opening balance of shareholders' equity.

For the adoption of the new IFRS 16 standard, the Company used the modified retrospective approach, recognizing the financial liability on the basis of the present value of future instalments based on the incremental cost of the payable as at 1 January 2019 and recognizing the value of the right of use at a value equal to the liabilities.

IFRS accounting standards, amendments and interpretations applied from 1 January 2022

With two EU Regulations of 2021 (no. 2021/25 and no. 2021/1080), the European Commission amended some IAS and IFRS international accounting standards: these are formal amendments that add little to the accounting standards concerned; however, they have the effect of simplifying processes and clarifying practical doubts raised by users.

The companies will apply the amendments at the latest from the start date of the first financial year beginning on or after 1 January 2022, although early application is permitted.

With EU Regulation no. 2021/25 of the Commission of 13 January 2021, Regulation no. 1126/2008 was amended, to take into account the amendments already introduced on 27 August 2020 by the International Accounting Standards Board with the publication of the "Reform of the interest rate benchmarks - phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16", in regulatory coordination. Subsequently, with a similar measure, a further intervention was made (EU Regulation no. 2021/1080), to the general framework of international accounting practices.

This intense updating activity has been promoted by the IASB since 14 May 2020, with several amendments to the IFRS international accounting standards. The package of amendments, adopted at the time, included interventions limited to three standards (IFRS 3, IAS 16 and IAS 37) as well as the annual improvements of the IASB (Annual Improvements 2018-2020), which consist of non-substantial amendments to clarify the formulation or correction of minor inconsistencies, oversights or conflicts between the various requirements envisaged by international standards.

In a nutshell:

- the amendments to IFRS 3 - Business Combinations update the reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations;

- the amendments to IAS 16 - Property, Plant and Equipment prohibit an enterprise from deducting from the cost of property, plant and equipment amounts received from the sale of items produced while the enterprise is preparing the asset for its intended use (such as, for example, income from the sale of prototypes). Instead, a company must recognize this income and the related cost in the income statement;

- the amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets specify which costs a company must include in assessing whether a contract will be an onerous contract.

The 2018-2020 annual improvements make minor changes to IFRS 1 - First-time Adoption of International Financial Reporting Standards and to IFRS 9 - Financial Instruments.
All amendments will be effective from 1 January 2022 but early application is permitted, subject to specific indication in the explanatory notes.

Amendments introduced with EU Regulation no. 2021/25

The table below shows the thematic macro-areas subject to amendment and integration by EU Regulation no. 2021/25, referring to the international standards affected by the reference rate reform.

Accounting standard	Change

IAS 39 “Financial instruments: recognition and measurement” - IFRS 9 “Financial instruments”	- Basic changes in the determination of contractual cash flows - Cash flow hedges and Hedges of a net investment - Designation of risk components - Accounting for hedging transactions - Measurement of retroactive effectiveness
IFRS 7 “Financial instruments: Disclosures”	Additional disclosures are envisaged, such as: - nature and extent of risks deriving from financial instruments - progress in the completion of the transaction towards alternative reference rates
IFRS 4 “Insurance contracts”	- Provisions for the insurer applying the temporary exemption from IFRS 9 - Changes in the basis for determining contractual cash flows
IFRS 16 “Leases”	- Change in the basis for determining future lease payments and lease accounting

Amendments introduced with EU Regulation no. 2021/1080

With EU Regulation no. 2021/1080 of 28 June 2021, the Commission intervened to amend, as from 1 January 2022, a series of additional accounting standards: international accounting standards (IAS) 16, 37 and 41 and the International Financial Reporting Standards (IFRS) 1, 3 and 9.

The regulation establishes that companies must apply, starting from the start date of their first financial year beginning on 1 January 2022 or, subsequently, the amended accounting standards indicated in the annex to the regulation, i.e.:

- IAS 16 - Property, Plant and Equipment;
- IAS 37 - Provisions, Contingent Liabilities and Contingent Assets;
- IAS 41 - Agriculture;
- IFRS 1 - First-time Adoption of International Financial Reporting Standards;
- IFRS 3 - Business Combinations;
- IFRS 9 - Financial Instruments;
- IAS 16 - Property, Plant and Equipment.

With particular reference to IAS 16 - Property, Plant and Equipment, the financial statements must indicate:

- the amount of expenses recognized in the carrying amount of an item of property, plant and equipment during its construction; and

- the amount of contractual commitments in place for the purchase of property, plant and equipment.

In addition, if not presented separately in the statement of comprehensive income, the financial statements must also indicate:
a) the amount of compensation from third parties charged to profit or loss for items of property, plant and equipment that have been impaired, lost or given up; and
b) the amounts of income and costs charged to profit or loss that relate to items produced that are not the result of ordinary activities of the entity, and which items of the statement of comprehensive income include such income and costs.

With regard to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, the amendment defines as onerous a contract in which the non-discretionary costs necessary for the fulfilment of the assumed obligations exceed the economic benefits that are expected to be obtained from the same contract. The non-discretionary costs envisaged by a contract reflect the minimum net cost of termination of the contract, i.e. the lower of the cost necessary for performance and any compensation or penalty deriving from non-performance.

With regard to the amendments made to IFRS 3 - Business Combinations, it is established that at the acquisition date, the acquirer shall recognize, separately from goodwill, the identifiable assets acquired and liabilities assumed and any minority interest in the acquired company.

With regard to Contingent liabilities and liabilities falling within the scope of application of IAS 37 or IFRIC 21, IAS 37 defines a contingent liability as:

a) a possible obligation that derives from past events and whose existence will be confirmed only by the occurrence, or otherwise, of one or more uncertain future events not entirely under the control of the entity; or

b) a present obligation that arises from past events, but which is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

- the amount of the obligation cannot be determined with sufficient reliability.

The acquirer must recognize, at the acquisition date, a contingent liability assumed in a business combination if it is a present obligation arising from past events, and whose fair value can be reliably determined.

A.3 INFORMATION ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

During the year, no transfers were made between portfolios of financial assets.

A.4 INFORMATION ON FAIR VALUE

Qualitative disclosure

IFRS 13 - "Fair Value Measurement" defines fair value as the consideration for which an asset can be exchanged, or a liability settled, between knowledgeable and willing parties, in a transaction between third parties.

This value is therefore configured as an "exit price" that reflects the characteristics of the asset or liability subject to valuation that would be considered by a third-party market participant view. The fair value measurement refers to an ordinary transaction carried out or executable between market participants, where a market means:

the main market, i.e. the market with the highest volume and level of transactions for the asset or liability in question to which the Company has access;

or, in the absence of a main market, the most advantageous market, i.e. the market in which it is possible to obtain the highest price for the sale of an asset or the lowest purchase price for a liability, also taking into account the costs of transaction.

The IAS / IFRS international accounting standards have introduced a classification of the methods used to determine the fair value, in order to guarantee a more complete disclosure on the level of discretion in the valuation of the financial instruments recorded in the financial statements. The fair value hierarchy is defined on the basis of the input data (with reference to their origin, type and quality) used in the models for determining the fair value and not on the basis of the valuation models themselves; in this regard, the highest priority is given to Level 1 inputs.

Fair value determined on the basis of level 1 inputs

The fair value is determined on the basis of observable inputs, i.e. prices quoted in active markets for the financial instrument, to which the entity can access at the valuation date of the instrument. The existence of prices in an active market is the best evidence of fair value and therefore these prices represent the inputs to be used as a priority in the valuation process.

Fair value determined on the basis of level 2 inputs

If there are no prices recorded on active markets, the fair value is determined by using prices recorded on markets that are not active or by means of valuation models that adopt market inputs. The valuation is carried out through the use of parameters that are directly or indirectly observable, such as, for example, prices listed on active markets for similar assets or liabilities, observable parameters such as interest rates or yield curves, implicit volatility, advance payment risk, default rates and illiquidity factors.

Fair value determined on the basis of level 3 inputs

The valuation is determined through the use of significant inputs that cannot be inferred from the market, which therefore involve the adoption of estimates and internal assumptions.

A.4.1 Fair value levels 2 and 3: valuation techniques and inputs used

This paragraph provides information on the valuation techniques and inputs used to determine the fair value of the assets and liabilities measured at fair value in the Company's financial statements and those for which the fair value is only provided for disclosure purposes.

Assets and Liabilities whose fair value is provided for disclosure purposes

Financial assets

With regard to ***receivables from banks***, it is believed that the book value is an adequate approximation of the fair value, an aspect that entails the classification in level 3 of the hierarchy. The same approach is followed for ***trade receivables***, which normally consist of transactions with a maturity of less than three months.

Financial liabilities

All of the Company's liabilities, with the exception of lease payables, have a maturity of less than three months or undetermined and therefore the book value of recognition can be considered an adequate approximation of the fair value, an aspect that involves classification in level 3 of the hierarchy.

A.4.2 Processes and sensitivity of valuations

For financial instruments measured at fair value and classified in level 3 of the fair value hierarchy, the sensitivity analysis is not produced because the methods for quantifying the fair value do not allow the development of alternative assumptions regarding the non-observable inputs used for valuation purposes or because the effects deriving from the change in these inputs are not considered relevant.

A.4.3 Fair value hierarchy

With reference to the assets and liabilities measured at fair value on a recurring basis, the classification in the correct level of the fair value hierarchy is carried out by referring to the rules and methods envisaged in the company regulations. Any transfers to a different hierarchy level are identified on a monthly basis. By way of example, it should be noted that these transfers may result from the "disappearance" of the active listing market or from the use of a different valuation method that was not previously applicable.

A.4.4 Other information

There is nothing to report.

Quantitative information

A.4.5 Fair value hierarchy

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level

Assets / Liabilities not measured at fair value or measured at fair value on a non-recurring basis	2022				2021			
	Book value	Level 1	Level 2	Level 3	Book value	Level 1	Level 2	Level 3
1. Financial assets measured at amortized cost 2. Tangible assets held for investment purposes 3. Non-current assets held for sale and disposal groups	2,735,255			2,735,255	2,441,167			2,441,167
Total	**2,735,255**			**2,735,255**	**2,441,167**			**2,441,167**
1. Financial liabilities measured at amortized cost 2. Liabilities associated with assets held for sale	1,513,171			1,513,171	1,435,676			1,435,676
Total	**1,513,171**			**1,513,171**	**1,435,676**			**1,435,676**

PART B - INFORMATION ON THE BALANCE SHEET - ASSETS

Section 1 - Cash and cash equivalents - Item 10 — 304

Breakdown of item 10 “Cash and cash equivalents”

Description	2022	2021
Cash	304	121
Total	**304**	**121**

Section 4 - Financial assets measured at amortized cost - Item 40 — 2,735,255

4.1 Details of item 40 “Financial assets measured at amortized cost”:

Receivables from banks

Breakdown	2022						2021					
	Book value			Fair value			Book value			Fair value		
	First and second stage	Third stage	Impaired acquired or originated	L1	L2	L3	First and second stage	Third stage	Impaired acquired or originated	L1	L2	L3
1. Loans	**351,868**					**351,868**	**598,879**					**598,879**
1.1 Time deposits												
1.2 Current accounts	351,868					351,868	598,879					598,879
1.3 Receivables for services (to be specified)												
1.4 Repurchase agreements												
- of which: on government bonds												
- of which: on other debt securities												
- of which: on equity securities												
1.5 Other loans												
2. Debt securities												
2.1 Structured securities												
2.2 Other debt securities												
Total	**351,868**					**351,868**	**598,879**					**598,879**

Receivables from banks only include current accounts held with the following banks:

Monte dei Paschi di Siena;
UBS;
Mediobanca;
Banca Finnat;
Banca Investis.

The current accounts in Mediobanca and Banca Finnat were opened to more efficiently manage the flow of fees with the so-called "omnibus" account, in turn activated after obtaining the authorization to hold the liquidity and financial instruments of customers.

Starting from 31 December 2021, cash and cash equivalents of customers who signed management contracts with SCM were included in the memorandum accounts, depositing the assets subject to the service with it.

4.3 Breakdown of item 40 "Financial assets measured at amortized cost": Trade receivables

Breakdown	2022						2021					
	Book value			Fair value			Book value			Fair value		
	First and second stage	Third stage	Impaired acquired or originated	L1	L2	L3	First and second stage	Third stage	Impaired acquired or originated	L1	L2	L3
1. Loans	**2,224,269**					**2,224,269**	**1,638,753**					**1,638,753**
1.1 Receivables for services	**2,224,269**					**2,224,269**	**1,638,753**					**1,638,753**
- for management	205,934					205,934	638,434					638,434
- for investment advisory	98,903					98,903	253,332					253,332
- for other services	1,919,432					1,919,432	746,987					746,987
1.2 Repurchase agreements							-					
- of which on government bonds												
- of which on other debt securities												
- of which on equity securities												
1.3 Other loans							-					
2. Debt securities							-					
2.1 Structured securities												
2.2 Other debt securities												
Total	**2,224,269**					**2,224,269**	**1,638,753**					**1,638,753**

Receivables from customers essentially refer to fees still to be collected, relating to individual management mandates, advisory services and the distribution of insurance policies. Any performance fees relating to investment advisory services and asset management are also included.

The other services category includes fees deriving from the distribution of insurance products, as well as those relating to the generic advisory service.

A significant portion of loans to customers, accrued at the end of the year, was collected at the date of preparation of these financial statements.

4.4 Financial assets measured at amortized cost: gross value and total value adjustments

	Gross value					Total value adjustments				Total partial write-offs
	First stage	of which: instruments with low credit risk	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated	
Debt securities										
Loans	351,868									
Other assets										
Total 2022	**351,868**									
Total 2021	**598,879**									

4.5 Financial assets measured at amortized cost:

Receivables from financial advisors

Description	2022	2021
Advances on fees	159,118	203,535
Total	**159,118**	**203,535**

In 2023, advances paid to financial advisors were down by around 22%.

Section 8 - Tangible assets - Item 80 877,136

8.1 Tangible assets for functional use: breakdown of assets measured at cost

Description	2022	2021
1. Owned assets	**56,806**	**77,139**
a) land		
b) buildings		
c) furniture	29,224	46,900
d) electronic systems	16,166	14,582
e) others	11,416	15,657
2. Rights of use acquired through lease	**820,329**	**1,039,850**
a) land		
b) buildings	729,826	938,347
c) furniture		
d) electronic systems		
e) others	90,503	101,503
Total	**877,136**	**1,116,989**

8.5 Tangible assets for functional use: annual changes

	Land	Buildings	Furniture	Electronic systems	Others	Total
A. Gross opening balance	**-**	**1,551,851**	**290,083**	**119,112**	**272,752**	**2,233,798**
A.1 Total net impairment losses	-	613,504	243,183	104,530	155,592	1,116,809
A.2 Net opening balance	**-**	**938,347**	**46,900**	**14,582**	**117,160**	**1,116,989**
B. Increases						
B.1 Purchases				4,543	49,090	**53,633**
B.2 Expenses for capitalized improvements						
B.3 Write-backs						
B.4 Positive changes in fair value charged to the						
a) shareholders' equity						
b) income statement						
B.5 Exchange gains						
B.6 Transfers from properties held for invest.						
B.7 Other changes		1,756	14,225			**15,981**
C. Decreases						
C.1 Sales			2,049			**2,049**
C.2 Depreciation		210,277	14,746	2,959	62,680	**290,662**
C.3 Impairment losses charged to the						
a) shareholders' equity						
b) income statement						
C.4 Negative changes in fair value charged to the						
a) shareholders' equity						
b) income statement						
C.5 Exchange losses						
C.6 Transfers to:						
a) tangible assets for investment purposes						
b) assets held for sale						
C.7 Other changes			13,344		1,650	**14.94**
D. Net closing balance	**-**	**729,826**	**29,224**	**16,166**	**101,920**	**877,136**
D.1 Total net impairment losses	-	823,781	244,585	107,489	219,922	1,395,777
D.2 Gross closing balance	**-**	**1,553,607**	**273,809**	**123,655**	**321,842**	**2,272,913**
E. Valuation at cost	**-**	**729,826**	**29,224**	**16,166**	**101,920**	**877,136**

IFRS 16 Disclosures

Leases summary	2022
Right-of-use assets:	**820,329**
- Lease payable Offices	*729,826*
- Long-term car rentals	*90,503*
Financial payables as at 31/12/2022:	**877,057**
- Lease payable Offices	*782,364*
- Long-term car rentals	*94,693*
Depreciation	**268,717**
- Lease payable Offices	*210,277*
- Long-term car rentals	*58,440*
Interest expense	**48,110**
- Lease payable Offices	*42,142*
- Long-term car rentals	*5,969*

Contract details	
Contract no.	**1**
Contract type	Long-term rental - Extension
Asset type	BMW X3 vehicle
Book value of right of use (Euro)	2,841
no. of months of depreciation	3
Monthly depreciation charge	947
annual accrued interest expense (Euro)	24
Principal portion paid during the year (Euro)	2,841
Residual financial debt as at 31/12/2022 (Euro)	-

Contract no.	**2**
Contract type	Long-term rental
Asset type	BMW 3 Series vehicle
Book value of right of use (Euro)	29,517
no. of months of depreciation	36
Monthly depreciation charge	820
annual accrued interest expense (Euro)	975
Principal portion paid during the year (Euro)	6,873
Residual financial debt as at 31/12/2022 (Euro)	22,644

Contract no.	**3**
Contract type	Long-term rental
Asset type	BMW 3 Series vehicle
Book value of right of use (Euro)	23,803
no. of months of depreciation	36
Monthly depreciation charge	661
annual accrued interest expense (Euro)	160
Principal portion paid during the year (Euro)	6,612

Residual financial debt as at 31/12/2022 (Euro)	-

Contract no.	**4**
Contract type	Long-term rental - Ended
Asset type	BMW X3 vehicle
Book value of right of use (Euro)	31,209
no. of months of depreciation	48
Monthly depreciation charge	650
annual accrued interest expense (Euro)	674
Principal portion paid during the year (Euro)	7,996
Residual financial debt as at 31/12/2022 (Euro)	9,125

Contract no.	**5**
Contract type	Long-term rental
Asset type	Volkswagen Tiguan car
Book value of right of use (Euro)	0
no. of months of depreciation	36
Monthly depreciation charge	281
annual accrued interest expense (Euro)	108
Principal portion paid during the year (Euro)	1,106
Residual financial debt as at 31/12/2022 (Euro)	-

Contract no.	**6**
Contract type	Long-term rental
Asset type	BMW M340 vehicle
Book value of right of use (Euro)	40,794
no. of months of depreciation	48
Monthly depreciation charge	850
annual accrued interest expense (Euro)	1,279
Principal portion paid during the year (Euro)	10,175
Residual financial debt as at 31/12/2022 (Euro)	20,025

Contract no.	**7**
Contract type	Long-term rental
Asset type	BMW X5 xDrive vehicle
Book value of right of use (Euro)	45,518
no. of months of depreciation	36
Monthly depreciation charge	1,264
annual accrued interest expense (Euro)	1,867
Principal portion paid during the year (Euro)	14,853
Residual financial debt as at 31/12/2022 (Euro)	29,100

Contract no.	**8**
Contract type	Long-term rental
Asset type	BMW X3 vehicle
Book value of right of use (Euro)	21,926
no. of months of depreciation	36
Monthly depreciation charge	609
annual accrued interest expense (Euro)	881
Principal portion paid during the year (Euro)	7,011

Residual financial debt as at 31/12/2022 (Euro)	13,799

Contract no.	**9**
Contract type	Office rental
Asset type	Offices in Latina (LT)
Book value of right of use (Euro)	68,302
no. of months of depreciation	72
Monthly depreciation charge	949
annual accrued interest expense (Euro)	1,619
Principal portion paid during the year (Euro)	11,581
Residual financial debt as at 31/12/2022 (Euro)	26,065

Contract no.	**10**
Contract type	Office rental
Asset type	Offices in Vicenza (VI)
Book value of right of use (Euro)	79,362
no. of months of depreciation	72
Monthly depreciation charge	1,102
annual accrued interest expense (Euro)	2,163
Principal portion paid during the year (Euro)	14,037
Residual financial debt as at 31/12/2022 (Euro)	35,608

Contract no.	**11**
Contract type	Office rental
Asset type	Offices in Rome (RM) - Via Abbruzzi
Book value of right of use (Euro)	189,957
no. of months of depreciation	72
Monthly depreciation charge	2,638
annual accrued interest expense (Euro)	5,528
Principal portion paid during the year (Euro)	31,052
Residual financial debt as at 31/12/2022 (Euro)	98,270

Contract no.	**12**
Contract type	Office rental
Asset type	Offices in Milan (MI) - Renewal
Book value of right of use (Euro)	727,467
no. of months of depreciation	72
Monthly depreciation charge	10,104
annual accrued interest expense (Euro)	29,217
Principal portion paid during the year (Euro)	100,783
Residual financial debt as at 31/12/2022 (Euro)	578,139

Contract no.	**13**
Contract type	Office rental
Asset type	Offices in Piacenza
Book value of right of use (Euro)	0
no. of months of depreciation	57
Monthly depreciation charge	358

annual accrued interest expense (Euro)	237
Principal portion paid during the year (Euro)	2,999
Residual financial debt as at 31/12/2022 (Euro)	0

Contract no.	**14**
Contract type	Office rental
Asset type	Offices in Bergamo
Book value of right of use (Euro)	66,828
no. of months of depreciation	60
Monthly depreciation charge	1,114
annual accrued interest expense (Euro)	1,186
Principal portion paid during the year (Euro)	14,115
Residual financial debt as at 31/12/2022 (Euro)	14,834

Contract no.	**15**
Contract type	Office rental
Asset type	Flat (MI)
Book value of right of use (Euro)	0
no. of months of depreciation	48
Monthly depreciation charge	1,239
annual accrued interest expense (Euro)	1,680
Principal portion paid during the year (Euro)	12,070
Residual financial debt as at 31/12/2022 (Euro)	0

Contract no.	**16**
Contract type	Office rental
Asset type	Offices - Piacenza
Book value of right of use (Euro)	30,936
no. of months of depreciation	96
Monthly depreciation charge	1,289
annual accrued interest expense (Euro)	511
Principal portion paid during the year (Euro)	1,489
Residual financial debt as at 31/12/2022 (Euro)	29,447

Section 9 - Intangible assets - Item 90 — 100,163

9.1 Breakdown of "Intangible assets"

Description	2022		2021	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
1. Goodwill				
2. Other intangible assets	**100,163**		**123,804**	
2.1 generated internally				
2.2 others	100,163		123,804	
Total	**100,163**		**123,804**	

The item "Intangible assets" consists exclusively of investments in software developments.

9.2 "Intangible assets": annual changes

Description	Total
A. Opening balance	**123,804**
B. Increases	
B.1 Purchases	28,874
B.2 Write-backs	
B.3 Positive changes in fair value	
- to shareholders' equity	
- to the income statement	
B.4 Other changes	
C. Decreases	
C.1 Sales	
C.2 Amortization	52,515
C.3 Value adjustments	
- to shareholders' equity	
- to the income statement	
C.4 Negative changes in fair value	
- to shareholders' equity	
- to the income statement	
C.5 Other changes	
D. Closing balance	**100,163**

Section 10 - Tax assets and Tax liabilities	**893,983**
Item 100 of assets and Item 60 of liabilities	

10.1 Breakdown of tax assets: current and deferred

Description	**2022**	**2021**
A. Current taxes		
IRES credit	1,361	1,361
IRAP tax down payment	500	500
IRAP credit from ACE	72,135	65,277
IRAP credit	5,446	5,446
Total A	**79,442**	**72,584**
B. Deferred tax assets		
Balancing entry in the income statement	808,957	808,957
Balancing entry in shareholders' equity	5,584	18,366
Total B	**814,541**	**827,323**
Total A + B	**893,983**	**899,907**

The item includes the IRAP credit generated by the exceeding ACE that the company determined in compliance with Italian Law Decree 91/2014 and following the clarifications contained in Circular 21/E of 3 June 2015 issued by the Inland Revenue Agency.

10.2 Breakdown of "Tax liabilities: current and deferred"

Description	**2022**	**2021**
A. Current taxes		
IRAP payables	-	-
Total A	**-**	**-**
B. Deferred taxes		
Balancing entry in the income statement	-	-
Balancing entry in shareholders' equity	2,661	2,661
Total B	**2,661**	**2,661**
Total A + B	**2,661**	**2,661**

10.3 Changes in deferred tax assets (with balancing entry in the income statement)

Description	2022	2021
1. Opening balance	**808,957**	**810,445**
2. Increases	**-**	**-**
2.1 Deferred tax assets recognized during the year		
a) relating to previous years		
b) due to changes in accounting standards		
c) write-backs		
d) others		
2.2 New taxes or increases in tax rates		
2.3 Other increases		
3. Decreases	**-**	**1,488**
3.1 Deferred tax assets cancelled during the year		1,488
a) reversals		1,488
b) write-downs due to non-recoverability		
c) due to changes in accounting policies		
d) others		
3.2 Reductions in tax rates		
3.3 Other decreases		
4. Final amount	**808,957**	**808,957**

10.5 Changes in deferred tax assets (with balancing entry in shareholders' equity)

Description	2022	2021
1. Opening balance	**18,366**	**13,973**
2. Increases		**4,393**
2.1 Deferred tax assets recognized during the year		4,393
a) relating to previous years		
b) due to changes in accounting standards		
c) write-backs		
d) others		4,393
2.2 New taxes or increases in tax rates		-
2.3 Other increases		-
3. Decreases	**12,783**	**-**
3.1 Deferred tax assets cancelled during the year	12,783	-
a) reversals	12,783	
b) write-downs due to non-recoverability		
c) due to changes in accounting policies		
d) others		
3.2 Reductions in tax rates	-	-
3.3 Other decreases	-	-
4. Final amount	**5,584**	**18,366**

Deferred tax assets on previous tax losses, amounting to euro 796,348, have been recognized as an asset in the financial statements because it is believed that the company will be able to utilise these tax losses in a limited period of time, based on the economic projections approved by the Board of Directors on 28 February 2023.

The main temporary differences that led to the recognition of deferred and prepaid taxes are summarized in the following table together with the related tax effects.

For each of the components shown below, prepaid and deferred taxes were allocated with an IRES rate of 24% and an IRAP rate of 5.57%.

Deductible temporary differences	**YEAR 2022**		**YEAR 2021**		**INCREASES 2022**		**RECOVERIES 2022**	
	IRES	**IRAP**	**IRES**	**IRAP**	**IRES**	**IRAP**	**IRES**	**IRAP**
Previous tax losses	3,318,117		3,318,117	-		-		-
Credit value adjustments	52,540		52,540	-		-		-
Directors	-		-	-		-		-
Employee severance indemnity IAS 19	23,263		76,524	-		-	53,261	-
Total deductible temporary differences	**3,393,920**		**3,447,181**	**-**		**-**	**53,261**	**-**
Summary of deferred tax assets	**IRES**	**IRAP**	**IRES**	**IRAP**	**IRES**	**IRAP**	**IRES**	**IRAP**
Total deductible temporary differences	3,393,920	-	3,447,181	-		-	53,261	-
Total deferred tax assets	**814,541**	**-**	**827,323**	**-**		**-**	**12,783**	**-**

Taxable temporary differences	**YEAR 2022**		**YEAR 2021**		**INCREASES 2022**		**RECOVERIES 2022**	
	IRES	**IRAP**	**IRES**	**IRAP**	**IRES**	**IRAP**	**IRES**	**IRAP**
Difference from AFS valuation	11,087	-	11,087	-	-	-	-	-
Total taxable temporary differences	**11,087**	-	**11,087**	-	-	**-**	-	**-**

Summary of deferred tax liabilities	**IRES**	**IRAP**	**IRES**	**IRAP**	**IRES**	**IRAP**	**IRES**	**IRAP**
Total deductible temporary differences	11,087	-	11,087	-	-	-	-	-
Total provision/taxes	**2,661**	-	**2,661**	-	**-**	**-**	**-**	**-**

Section 12 - Other assets - Item 120 615,296

12.1 Breakdown of "Other assets"

Description	2022	2021
Advances to suppliers	67,684	112,411
Bonds receivable	28,569	31,068
Receivables for substitute tax on asset management	25,767	-
Tax Authorities - VAT	-	47,725
R&D credit	30,800	46,199
Receivables from social security institutions	-	6,344
Credit Notes to be issued		(3,720)
Invoices to be issued	8,400	-
Prepayments	300,590	363,825
Advance stamp duty	139,651	-
Other assets	13,835	7,863
Total	**615,296**	**611,715**

PART B - INFORMATION ON THE BALANCE SHEET LIABILITIES

Section 1 - Financial liabilities measured at amortised cost - Item 10 1,513,171

1.1 Breakdown of “Financial liabilities at amortized cost”: “Payables”

1.1 PAYABLES	2022			2021		
	To banks	To financial companies	To customers	To banks	To financial companies	To customers
1. Loans						
1.1 Repurchase agreements						
1.2. Loans						
2. Lease payables			877,057			1,075,748
3. Other payables		4,420			1,907	
Total		**4,420**	**877,057**	**-**	**1,907**	**1,075,748**
Fair value - level 1						
Fair value - level 2						
Fair value - level 3		*4,420*	*877,057*		*1,907*	*1,075,748*
Total fair value		**4,420**	**877,057**	**-**	**1,907**	**1,075,748**

For IFRS 16 disclosure, please refer to point 8.5 “Tangible assets for functional use: annual changes”

1.3 Payables to financial advisors

1.2 PAYABLES TO ADVISORS	2022	2021
Invoices/credit notes received from advisors	205,886	856
Invoices/credit notes to be received by advisors	425,808	357,165
Total	**631,694**	**358,021**

Section 6 - Tax liabilities - Item 60 2,661

Please refer to section 10 of the assets.

Section 8 - Other liabilities - Item 80 1,322,788

8.1 Breakdown of "Other liabilities"

Description	2022	2021
Payables to employees and collaborators	7,000	26,000
Social security and welfare payables	151,902	85,006
Withholding taxes and surcharges	181,814	75,994
Stamp duty payables for quarterly reports	82,446	-
Payable for substitute management tax	-	44,949
Payables to suppliers	183,789	26,015
Payables to suppliers for invoices and notes to be received	163,207	97,804
Payables to Statutory Auditors for invoices to be received	40,000	19,520
Sundry payables	50,161	28,550
Accrued expenses and deferred personnel expenses	161,257	184,825
VAT payables	301,212	-
Total other liabilities	**1,322,788**	**588,663**

Most of the payables were paid off in the early months of 2023.

Section 9 - Employee severance indemnities - Item 90 170,043

9.1 "Employee severance indemnities": annual changes

Description	2022	2021
A. Opening balance	**197,649**	**162,612**
B. Increases	**28,934**	**44,741**
B.1 Provisions for the year	28,934	26,435
B.2 Other increases	-	18,306
C. Decreases	**56,539**	**9,704**
C.1 Settlements made	3,278	9,704
C.2 Other decreases	53,261	-
D. Closing balance	**170,043**	**197,649**

9.2 Other information

In compliance with the regulations of the supplementary forms of pension, the employee severance indemnities accrued were transferred to external Pension Funds, with the exception of those employees who opted to keep it at the company.

Employee severance indemnities accrued up until 31 December 2022 were discounted on the basis of the technical-actuarial assumptions and valuations under IAS and described in Part A - Accounting Policies.

In particular, it should be noted that the analysis was carried out by using financial assumptions that refer to mortality, termination of the company, requests for advances, trend in the real purchasing power of money, succession of investment rates of the sums available.

Section 11 - Equity - Items 110, 120, 130, 140, 150 and 160 — 3,009,532

11.1 Breakdown of "Capital"

Types	2022	2021
1. Capital	**2,006,240**	**2,006,240**
1.1 Ordinary shares	2,006,240	2,006,240
1.2 Other shares	-	-

The approved share capital is equal to euro 2,707,176, following the capital increase in progress described in the section on events after the end of the year.

The subscribed and paid-up share capital as at 21 March 2023 is euro 2,094,264, divided into 2,094,264 registered shares.

11.4 Breakdown of "Share premium reserve"

Types	2022	2021
Reserves - item 140	**804,904**	**1,076,103**
Share premium reserve	804,904	1,076,103

11.5 Other information

Types	2022	2021
Reserves - item 150	**212,790**	**212,790**
Profit from previous years	204,364	204,364
Reserve from future share capital increase	-	-
FTA reserve	8,426	8,426
Reserves - item 160	**(14,402)**	**(54,880)**
Employee severance indemnity valuation reserve	(14,402)	(54,880)

PART C – INFORMATION ON THE INCOME STATEMENT

Section 3 - Gains (losses) on disposal or repurchase - Item 30 (881)

3.1 Breakdown of gains (losses) on disposal or repurchase

Items/income components	2022			2021		
	Profit	Loss	Net profit/loss	Profit	Loss	Net profit/loss
1. Financial assets						
1.1. Financial assets measured at amortized cost:		(881)	(881)		(152)	(152)
- from banks						
- from financial companies						
- from customers		(881)	(881)		(152)	(152)
1.2 Financial assets measured at fair value through profit or loss						
comprehensive income:						
- debt securities						
- loans						
Total		**(881)**	**(881)**	**-**	**(152)**	**(152)**
2. Financial liabilities measured at amortized cost						
2.1 Payables						
2.2 Outstanding securities						
Total		**-**	**-**	**-**	**-**	**-**
TOTAL		**(881)**	**(881)**	**-**	**(152)**	**(152)**

Section 5 - Fees - Items 50 and 60 **3,676,960**

5.1 Breakdown of “Fee and commission income”

Detail	2022	2021
1. Trading on own account		-
2. Execution of orders on behalf of customers		-
3. Placement and distribution	1,956,212	1,191,487
- of securities		-
- of third-party services:	1,956,212	1,191,487
portfolio management		-
collective management		-
insurance products	*1,956,212*	*1,191,487*
others	-	-
4. Portfolio management	1,879,724	3,252,402
- own	1,879,724	3,252,402
- delegated to third parties	-	-
5. Receipt and transmission of orders	-	-
6. Investment advisory	833,140	1,425,383
7. Financial structure advisory	1,558,780	471,158
8. Management of multilateral trading facilities	-	-
9. Management of organized trading systems	-	-
10. Custody and administration	-	-
11. Currency trading	-	-
12. Other services	-	-
Total	**6,227,856**	**6,340,430**

The fees deriving from the distribution of insurance policies are recorded in sub-item 3 “Placement and distribution”.

5.2 Breakdown of “Fee and commission expense”

Detail	2022	2021
1. Trading on own account		-
2. Execution of orders on behalf of customers		-
3. Placement and distribution	1,162,748	888,845
- of securities		
- of third-party services:	1,162,748	888,845
portfolio management		
others	*1,162,748*	*888,845*
4. Portfolio management	733,617	935,035
- own	*733,617*	*935,035*
- delegated to third parties		
5. Collection of orders		-
6. Investment advisory	318,011	420,434
7. Custody and administration		-
8. Other services	336,519	201,512
Total	**2,550,896**	**2,445,826**

Section 6 - Interest - Items 70 and 80 (47,994)

6.1 Breakdown of "interest income and similar revenues"

Items/Technical forms	Debt securities	Loans	Other transactions	2022	2021
1. Financial assets measured at fair value through profit or loss:					
1.1. Financial assets held for trading					
1.2. Financial assets designated at fair value					
1.3. Other financial assets measured at fair value as per mandatory requirements					
2. Financial assets measured at fair value through other comprehensive income					
3. Financial assets measured at amortized cost					
3.1 Receivables from banks			294	294	
3.2 Receivables from financial companies					
3.3 Trade receivables					
4. Hedging derivatives					
5. Other assets					
6. Financial liabilities					
Total			**294**	**294**	**-**
of which: interest on impaired financial assets					

6.4 Breakdown of "Interest expense and similar charges"

Items/Technical forms	Repurchase agreements	Other loans	Securities	Other transactions	2022	2021
1. Financial liabilities measured at amortized cost				48,288	48,288	39,029
1.1. To banks						
1.2. To financial companies						
1.3. To customers				*48,288*	*48,288*	*39,029*
1.4. Outstanding securities						-
2. Financial liabilities held for trading						-
3. Financial liabilities designated at fair value						-
4. Other liabilities						-
5. Hedging derivatives						-
6. Financial assets						-
Total	-	-	-	48,288	**48,288**	**39,029**
of which: interest on lease payables				*48,288*	*48,288*	*39,029*

Section 8 - Net value adjustments/write-backs for credit risk - Item (116,776)

8.1 Breakdown of "Net value adjustments/write-backs for credit risks relating to financial assets measured at amortized cost"

Items/Adjustments	Value adjustments						Write-backs				2022	2021
	First stage	Second stage	Third stage		Impaired acquired or originated		First stage	Second stage	Third stage	Impaired acquired	Total	Total
			Write off	Others	Write off	Others						
1. Debt securities												
2. Loans												
3. Customers				(116,776)							(116,776)	(82,932)
Total				**(116,776)**							**(116,776)**	**(82,932)**

Section 9 - Administrative expenses - Item 140 (4,011,039)

9.1 Breakdown of "Personnel expenses"

Items/Sector	**2022**	**2021**
1. Employees	1,582,510	1,696,900
a) wages and salaries	1,103,724	1,200,444
b) social security charges	335,664	359,036
c) severance pay		
d) social security expenses	49,878	54,914
e) provision for employee severance indemnities	25,256	25,487
f) allocation to the provision for pensions and similar obligations:		-
- defined contribution		
- defined benefit		
g) payments to external supplementary pension funds:	54,956	55,097
- defined contribution	*54,956*	55,097
- defined benefit		
h) other employee benefits	13,032	1,922
2. Other personnel in service		-
3. Directors and Statutory Auditors	223,097	213,934
4. Retired personnel		-
5. Expense recoveries for employees seconded to other companies		-
6. Reimbursement of expenses for employees seconded to the company		-
Total	**1,805,608**	**1,910,834**

9.2 Average number of employees broken down by category

Category	**No. of employees year end**	**Average no. of employees**
Executives	2	2.33
Middle managers	8	8.25
Remaining personnel	4	4.08
Total	**14**	**14.66**

9.3 Breakdown of “Other administrative expenses”

Type	2022	2021
Rents and related expenses	60,533	57,643
Other expenses	54,834	56,993
Insurance	97,625	116,914
Stationery and printed materials	6,864	12,705
Administrative, tax and other services	571,904	463,177
Membership fees	42,433	43,664
Advisor contributions (Enasarco, Firr)	54,011	49,492
Legal formalities - taxes - fees - stamps	15,006	13,842
Training	21,000	20,672
Non-deductible VAT	174,560	150,809
Car rentals and expenses	64,561	69,396
Outsourcing	317,264	268,521
Risk Management and Internal Audit	51,927	53,980
Commercial expenses and Events	176,541	117,628
IT costs	149,384	117,648
Legal and notary expenses	226,705	137,703
Audit expenses	36,570	49,817
Utilities	39,353	32,545
Travel and transfers	44,357	17,930
Grand total	**2,205,431**	**1,851,079**

Section 11 - Net value adjustments/write-backs on tangible assets Item (290,662)

11.1 Breakdown of “Net value adjustments/write-backs on tangible assets”

Items/Value adjustments and write-backs	YEAR 2022				YEAR 2021			
	Depreciation (a)	Impairment losses (b)	Write-backs (c)	Net profit/loss	Depreciation (a)	Impairment losses (b)	Write-backs (c)	Net profit/loss
1. For functional use	**290,662**			**290,662**	**288,104**			**288,104**
- Owned	21,945			21,945	26,158			26,158
- Rights of use acquired through lease	268,717			268,717	261,946			261,946
2. Held for investment purposes								

- Owned - Rights of use acquired through lease								
Total	**290,662**			**290,662**	**288,104**			**288,104**

Section 12 – Net value adjustments/write-backs on intangible assets (52,515)

12.1 Breakdown of "Net value adjustments/write-backs on intangible assets"

Items/Value adjustments and write-backs	2022				2021			
	Amortization (a)	Impairment losses (b)	Write-backs (c)	Net profit/loss	Amortization (a)	Impairment losses (b)	Write-backs (c)	Net profit/loss
1. Intangible assets other than goodwill	**52,515**			**52,515**	**33,145**	**-**	**-**	**33,145**
2.1 owned	52,515			52,515	33,145			33,145
- generated								
- others	*52,515*			*52,515*	*33,145*			*33,145*
2.2 Rights of use acquired through								
Total	**52,515**			**52,515**	**33,145**			**33,145**

Section 13 - Other operating income and expenses - Item 180 39,989

13.1 Breakdown of "Other operating income and expenses"

Operating income	2022	2021
Charge-back of fees for use of spaces	22,000	22,600
Reimbursement of expenses	24,378	24,257
Other income	41,524	89,672
Charge-back for advisory services	33,815	9,933
Total	**121,717**	**146,462**

Operating expenses	2022	2021
Sanctions	23,688	2,959
Other charges	58,040	99,977
Total	**81,728**	**102,936**

Section 18 - Income taxes for the year on current operations - Item 250 6,858

18.1 Breakdown of "Income taxes for the year on current operations"

Description	2022	2021
1. Current taxes		(12,222)
2. Changes in current taxes of previous years		446
3. Reduction in current taxes for the year	6,858	9,208
3bis. Reduction of current taxes e.g. for receivables Law 214/2012		
4. Change in deferred tax assets		(1,488)
5. Change in deferred tax liabilities		
Taxes for the year	**6,858**	**(4,056)**

18.2 Reconciliation between theoretical tax expense and actual tax expense in the financial statements

Description	IRES		IRAP	
	Taxable amount	Tax	Taxable amount	Tax
Profit before tax	**(802,917)**		**1,383,213**	
Theoretical tax rate	24.00%	-	5.57%	77,045
Non-deductible/non-taxable differences	194,267		(1,606,966)	
Taxable income for the reversal of temporary differences	**(608,650)**		**(223,753)**	
Taxable income	**(608,650)**		**(223,753)**	-
Transformation of ACE (Aid for Economic Growth) into IRAP credit				**(6,858)**
Actual tax burden in the financial statements	-		-	(6,858)
Effective tax rate	0.00%		0.00%	

PART D - OTHER INFORMATION

SECTION 1 - SPECIFIC REFERENCES ON THE ACTIVITIES CARRIED OUT

C. PORTFOLIO MANAGEMENT ACTIVITIES

C.1 *Total value of portfolio management*

Description	2022		2021	
	Own management	Delegated management	Own management	Delegated management
1. Debt securities	59,446,813		55,658,029	
of which: government bonds			*2,061,208*	
2. Equity securities	*26,045,841*		20,315,500	
3. UCITS units	103,674,886		102,798,997	
4. Derivative instruments				
- financial derivatives				
- credit derivatives				
5. Other assets	21,576,098		27,379,623	
6. Liabilities				
Total managed portfolios	**210,743,638**	**-**	**206,152,149**	**-**

Other assets mainly include the liquidity of managed customers.

The difference with respect to the overall figure in the report on operations is due to the fact that this last figure takes into account the settlement of transactions at the value date.

C.2 *Own and delegated management: operations in the year*

Description	Counter value		
	Transactions with group counterparties	**Transactions with other counterparties**	**SIM transactions**
A. Own management			
A1. Purchases during the year	-		-
A.2 Sales during the year	-		-
B. Delegated management			
B.1 Purchases during the year	-		
B.2 Sales during the year	-		

C.3 *Own management: net deposits and number of contracts*

Description	**2022**	**2021**
Deposits for the year	77,690,387	110,388,038
Repayments during the year	45,971,173	74,893,013
Number of contracts	548	452

D. PLACEMENT ACTIVITIES

The company provides an accessory service for the distribution of insurance products, whose object is standardized proposals with the aim of providing adequate coverage of the needs of its customers.

The distribution of insurance contracts by SCM SIM and the relative employees recorded in section E is carried out solely with reference to the placement of standardized insurance contracts, as required by art. 41 of IVASS Regulation 5/2006.

In 2022, the company placed new insurance products with a total value of premiums of around euro **27** million.

On 4 May 2016, the SIM obtained, with Consob resolution no. 19599, the authorization to carry out the placement of financial instruments without an irrevocable commitment towards the issuer.

In this context, the company distributes the shares of the "Secondo Pensione" fund of SGR Amundi. The number of contracts outstanding as at 31.12.2022 was **253**.

The company intends to further boost this activity by entering into placement agreements with other product companies, in order to expand the range of products and services offered to customers.

F. INVESTMENT ADVISORY

The number of advisory contracts in place as at 31 December 2022 was **106**.

SECTION 2 - INFORMATION ON RISKS AND RELATED HEDGING POLICIES

2.1 MARKET RISKS

The Company is not specifically subject to this type of risk from a regulatory point of view as it is not authorized to trade on its own account and to placement as collateral. Moreover, in consideration of the nature of the activity carried out by the SIM, the type of investments represented by current account deposits and financial assets with a short-term residual life that can be readily liquidated and the absence of any form of indebtedness, it is believed that the SIM is not exposed to any significant market risks.

INTEREST RATE RISK

It expresses the risk deriving from potential changes in interest rates. The Company is not exposed to this risk since as at 31 December 2022 it did not have a proprietary portfolio invested in securities.

PRICE RISK

The SIM is not exposed to this type of risk as it does not hold securities in its portfolio. For this reason, the Company has not developed specific models for price risk analysis.

CURRENCY RISK

It expresses the risk associated with holding or assuming positions in foreign currency. SCM SIM is not exposed to this risk as it has no current accounts in currencies other than the euro, nor positions in gold or on financial instruments denominated in currencies other than the euro.

2.2 OPERATIONAL RISKS

QUALITATIVE INFORMATION

1. General aspects

Operational risk means the possibility of incurring losses deriving from inadequacy or malfunctions of:

- ***human resources***: these are factors relating to any errors, fraud, violation of internal rules and procedures and, in general, problems of incompetence or negligence on the part of SIM personnel or financial advisors;
- ***systems and technology***: these events include problems relating to information systems, application programming errors, outages in the IT or telecommunications network;
- ***processes***: these are events related to breaches of IT security caused by a poor internal control system, transaction settlement errors, accounting errors and transaction documentation errors, errors in risk measurement systems caused by inadequate models

and methodologies;

- ***external factors***: this category of events includes all those events that are beyond the control of the SIM; examples may be changes in the tax, regulatory, legislative or political context that may negatively affect profitability or criminal acts or vandalism committed by parties outside the SIM or harmful natural events.

2.3 CREDIT RISK

QUALITATIVE INFORMATION

This item expresses the risk of loss due to default by debtors. The Company is mainly exposed to it because of its deposits with other intermediaries, as well as due to its exposure to Financial Advisors for advances granted at the start of operations.

The assessment of any credit risk on advances disbursed to financial advisors is carried out periodically by the Management, through a comparison with the ability of the financial advisors to generate fees; if the production capacity of financial advisors shows risks about the recovery of the advance disbursed, the Management assesses any reductions and agrees on a repayment plan. In the event of resignation, financial advisors are required to repay the advances obtained; any anomalies in the reimbursement are monitored by the Management, in coordination with lawyers external to the SIM, in order to proceed with the related recovery.

QUANTITATIVE INFORMATION

Large exposures

Pursuant to current supervisory regulations, the company does not have situations that could be considered as "significant risks".

2.4 LIQUIDITY RISK

QUALITATIVE INFORMATION

1. General aspects, liquidity risk management processes and measurement methods

Liquidity risk management is based on proportionality criteria and takes into account the operational specificities of the SIM. The risk was identified as the possibility that the SIM may not be able to fulfil its obligations relating to the payment of salaries to personnel, fees to Financial Advisors and invoices received, with specific reference to cash commitments. This risk is deemed as low because the SIM's own assets are kept liquid.

QUANTITATIVE INFORMATION

Time distribution by residual contractual duration of financial assets and liabilities - Currency of denomination: EURO

Items/Time brackets	Sight	From 1 day to 7 days	From 7 days to 15 days	From 15 days to 1 month	From 1 month to 3 months	From 3 months to 6 months	From 6 months to 1 year	From 1 year to 3 years	From 3 years to 5 years	Over 5 years
Cash assets	**352,172**	**-**	**-**	**2,383,387**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Government bonds										
A.2 Other debt securities										
A.3 Loans										
A.4 Other assets	352,172			2,383,387						
Cash liabilities	**-**	**-**	**4,420**	**670,520**	**19,653**	**59,212**	**124,782**	**404,469**	**226,549**	**3,566**
B.1 Payables to										
- Banks										
- Advisors				631,694						
- Financial companies			4,420							
- Customers										
B.2 Debt securities										
B.3 Other liabilities				38,826	19,653	59,212	124,782	404,469	226,549	3,566
Off-balance sheet transactions										
C.1 Financial derivatives with exchange of capital										
C.2 Financial derivatives without exchange of capital										
C.2 Loans to be received										

Note that there are no cash assets and liabilities with a maturity of more than 6 years or with an indefinite duration.

REGULATORY UPDATE

EU Regulation 2019/2033 (IFR) and EU Directive 2019/2034 (IFD) outlined the new regulatory framework for investment firms (SIM).

The new rules have simplified the system previously in force by strengthening the principle of proportionality for this type of intermediary.

The SIM is not part of the investment companies that, in relation to the total value of consolidated assets, are considered "credit institutions" subject to the regulatory framework envisaged for Banks and, due to the authorization to hold the assets of customers, belongs to the category 2.

Calculation according to the k-factor method

The k-factor method introduced with the Regulation in question divides the SIM risks into three different types: Risk to client, Risk to the market and Risk to the company itself.

The total value of the exposures determined by the application of the K-factors representing the risks is equal to euro 106,083.
Details of the various types of risk are provided below.

RISKS TO CLIENT

<table>
<tr><th>Type of risk</th><th colspan="2">K-factor</th><th>%</th></tr>
<tr><td rowspan="7">Risk to client (RtC)</td><td colspan="2">Assets under management - including advisory (k-AUM)</td><td>0.02</td></tr>
<tr><td rowspan="2">Client money held (k-CMH)</td><td>On separate accounts</td><td>0.4</td></tr>
<tr><td>On non-separated accounts</td><td>0.5</td></tr>
<tr><td colspan="2">Assets held on behalf of customers (k-ASA)</td><td>0.04</td></tr>
<tr><td rowspan="2">Client orders handled (k-COH)</td><td>Spot transactions</td><td>0.1</td></tr>
<tr><td>Derivative transactions</td><td>0.01</td></tr>
</table>

The SIM is exposed to this type of risk and the quantification method adopted by the SIM to determine the requirement is the one deriving from the application of the k-factors envisaged by the regulations.

With respect to client assets, the company is exposed for assets under management and advisory (k-AUM), client money held (CMH), assets held (COH) and client orders handled (COH).

RtC (Risk to client) is representative of the SIM business areas that could cause damage to customers in the event of problems such as, for example, those deriving from incorrect discretionary management of portfolios or from their poor execution.

The K-ASA factor reflects the risk of safeguarding and administering client assets and ensures that investment firms hold capital in proportion to the corresponding balances.

The K-CMH factor reflects the risk of potential damage in the case of an investment firm that holds the money of its customers, taking into account the fact that this appears on its own balance sheet or on third party accounts.

MARKET RISKS

The SIM, not being authorized to trade on its own account, is not exposed to this type of risk.

RISKS TO THE COMPANY

The SIM, being not authorized to trade on its own account, is not exposed to these types of risk.

LIQUIDITY RISK

The risk was identified as the possibility that the SIM may not be able to fulfil its obligations relating to the payment of salaries to personnel, fees to Financial Advisors and invoices received, with specific reference to cash commitments. This risk is deemed as low because the SIM's own assets are kept liquid.

The new regulation envisages a requirement for liquidity to be held in liquid assets or assets that can be readily liquidated, at least equal to 1/3 of the requirement relating to fixed overheads (i.e. 1/12 of fixed overheads).

As at 31/12/2022, the investment company held cash and cash equivalents of euro 334 thousand against a requirement of euro 352 thousand.

SECTION 3 – INFORMATION ON EQUITY

3.1 COMPANY ASSETS

3.1.1 QUALITATIVE INFORMATION

The Company's equity consists of the fully paid-up Share Capital, share premium reserves, profit reserves and profit (loss) for the year. The management of company assets is aimed at the temporary investment of company liquidity and not at carrying out operational trading activities. The Board of Directors is responsible for defining the financial instruments in which to invest, the operating limits and the valuation criteria of the securities in the portfolio, taking into account the type of investment services.

As established by Bank of Italy Resolution no. 1097 of 29 October 2007 (Regulation on minimum capital and operations abroad of SIMs as well as deposit and sub-deposit of customer assets), the minimum capital required for those SIMs that intend to provide investment services without operating limitations is equal to euro 1 million.

On 23 December 2022, the Bank of Italy published the Supervisory Regulation on SIMs, aimed at completing the transposition into national law of the IFD/IFR framework in the exercise of the national discretions recognized to the Bank of Italy. The regulatory source, applicable as of 2023, also aims to define, inter alia, the minimum capital to be held, which will be commensurate with the type of investment services and activities performed.

The SIM constantly verifies compliance with the minimum capital requirements. In order to measure the effects of exceptional but potentially verifiable risk events, the SIM carries out sensitivity analyses with respect to the main risks assumed. With regard to stress testing techniques, the SIM has implemented sensitivity analyses (i.e. analyses aimed at verifying the impact of "extreme" changes in a single risk factor at a time, on the equity position of the SIM) and not scenario analyses, which take into account changes in several risk factors at the same time. The stress tests allow the SIM to assess the exposure to risk and the capital required to cover it, as well as the accuracy of the risk assessment models.

3.1.2 QUANTITATIVE INFORMATION

The following table shows the breakdown of shareholders' equity with indication of the individual amounts relating to the items that comprise it.

3.1.2.1 *Company equity: breakdown*

Description	2022	2021
1. Capital	2,006,240	2,006,240
2. Share premium reserve	804,904	1,076,103
3. Reserves		
- of profits	204,364	204,364
a) legal		-
b) statutory		-
c) treasury shares		-
d) others	*204,364*	*204,364*
- others	8,426	8,426
4. (Treasury shares)	-	-
5. Valuation reserves	(14,402)	(54,880)
Measurement of employee severance indemnity IAS 19	*(14,402)*	*(54,880)*
6. Equity instruments	-	-
7. Profit (loss) for the year	(796,059)	(271,199)
Total	**2,213,473**	**2,969,054**

3.2 OWN FUNDS AND REGULATORY RATIOS

3.2.1 Own funds

3.2.1.1 QUALITATIVE INFORMATION

Own funds are calculated as the algebraic sum of a series of positive and negative elements, whose inclusion is allowed, with or without limitations, in relation to their asset quality.

In detail, own funds consist of the following aggregates:

1) Tier 1 capital, in turn made up of Common Equity Tier 1 capital (CET 1) and Additional Tier 1 capital (AT2);
2) Tier 2 capital.

In compliance with the provisions of the CRR, Common Equity Tier 1 capital is composed of share capital and reserves, less net intangible assets and 100% of deferred tax assets.

3.2.1.2 QUANTITATIVE INFORMATION

Description	2022	2021
A. Common Equity Tier 1 (CET1) before the application of prudential filters	1,298,769	2,017,927
of which CET1 instruments subject to transitional provisions		
B. CET1 prudential filters (+/-)		
C. CET1 gross of elements to be deducted and effects of the transitional regime (A +/- B)	1,298,769	2,017,927
D. Elements to be deducted from CET1		
E. Transitional regime - Impact on CET1 (+/-)		
F. Total Common Equity Tier 1 (CET1) (C - D +/- E)	**1,298,769**	**2,017,927**
G. Additional Tier 1 (AT1) gross of elements to be deducted and the effects of the transitional regime		
of which AT1 instruments subject to transitional provisions		
H. Elements to be deducted from AT1		
I. Transitional regime - Impact on AT1 (+/-)		
L. Total Additional Tier 1 (AT1) (G - H +/- I)		
M. Tier 2 capital (T2) gross of elements to be deducted and the effects of the transitional regime		
of which T2 instruments subject to transitional provisions		
N. of elements to be deducted from T2		
O. Transitional regime - Impact on T2 (+/-)		
P. Total Tier 2 capital (T2) (M - N +/- O)		
Q. Total own funds (F + L + P)	**1,298,769**	**2,017,927**

3.2.2 Capital adequacy

3.2.1.1 QUALITATIVE INFORMATION

Regulation 2019/2033 (art. 9) requires the SIM to have own funds consisting of the sum of Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital and to satisfy all of the following conditions at all times:

- $\frac{\text{Common Equity Tier 1 capital}}{\text{Minimum capital to be held}} >= 56\%$
- $\frac{\text{Common Equity Tier 1 capital + Additional Tier 1 capital}}{\text{Minimum capital to be held}} >= 75\%$
- $\frac{\text{Common Equity Tier 1 capital + Additional Tier 1 capital + Tier 2 capital}}{\text{Minimum capital to be held}} > = 100\%$

	Requirement	Own funds	%	Surplus
Common Equity Tier 1 / D> = 56%	561,545	1,298,769	231%	737,223
Common Equity Tier 1 capital + Additional Tier 1 capital / D> = 75%	752,070	1,298,769	173%	546,699
Common Equity Tier 1 capital + Additional Tier 1 capital + Tier 2 capital / D> = 100%	1,002,760	1,298,769	130%	296,009

D = MINIMUM CAPITAL TO BE HELD

3.2.1.2 QUANTITATIVE INFORMATION

The SIMs of Category 2, as envisaged by art. 11 of Reg. 2033 must hold Own Funds, calculated by applying the provisions of CRR2, at least equal to the higher of the following amounts:

1. Requirement equal to 25% of fixed overheads referring to the previous year;
2. Their minimum capital requirement as defined by art. 11 of the IFD;
3. The requirement calculated according to the k-factor methodology.

Own funds requirements (pursuant to art. 11 Reg. 2019/2033)	31/12/2022
Minimum capital requirement	1,000,000
Fixed overheads requirement	1,002,760
K factor requirement	106,083

Given the above, the Company has a higher amount of own funds than the minimum requirement.

SECTION 4 – STATEMENT OF COMPREHENSIVE INCOME

Items	31/12/2022	31/12/2021
10. Profit (loss) for the year	**(796,059)**	**(271,199)**
Other income components net of taxes without reversal to the income statement		
20. Equity securities designated at fair value through other comprehensive income		
30. Financial liabilities designated at fair value through profit or loss		
40. Hedging of equity securities designated at fair value through other comprehensive income		
50. Tangible assets		
60. Intangible assets		
70. Defined benefit plans	**53,261**	**(13,913)**
80. Non-current assets held for sale		
90. Portion of valuation reserves of equity investments reported using the equity methods		
100. Income taxes relating to other income components without reversal to the income statement	**(12,783)**	
Other income components net of taxes with reversal to the income statement		
110. Foreign investment hedging		
120. Exchange rate differences		
130. Cash flow hedges		
140. Hedging instruments		
150. Financial assets (other than equity securities) measured at fair value through other comprehensive income		
160. Non-current assets held for sale and disposal groups		
170. Portion of valuation reserves of equity investments reported using the equity methods		
180. Income taxes relating to other income components with reversal to the income statement		
190. Total other income components	**40,478**	**(13,913)**
200. Comprehensive income (Item 10 + 170)	**(755,581)**	**(285,112)**

SECTION 5 – RELATED PARTY TRANSACTIONS

5.1 INFORMATION ON THE REMUNERATION OF KEY MANAGEMENT PERSONNEL

Role	Remuneration	Expiry
Board of Directors	148,000	financial statements as at 31/12/2023
Board of Statutory Auditors	40,000	financial statements as at 31/12/2023

5.2 RECEIVABLES AND GUARANTEES GIVEN IN FAVOUR OF DIRECTORS AND STATUTORY AUDITORS

The company has no receivables due from directors.

There are no guarantees issued in favour of directors and statutory auditors.

5.3 INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties, carried out as part of ordinary business operations, were carried out under normal market conditions as regards prices, methods and terms of payment in particular.

The table below shows assets, liabilities, advisory and portfolio management contracts in place in 2022 and relating to the related parties identified by the investment company with reference to the provisions of IAS 24.

	Directors and Executives parent company	Directors and Executives	Other related parties
Individual portfolio management	2,669,594	4,903,787	2,256,845
Investment advisory	0	0	0
Generic advisory	0	0	0

The table below shows the revenues for the year 2022 relating to related parties:

	Directors and Executives parent company	Directors and Executives	Other related parties
Individual portfolio management	29,599	30,546	15,528
Investment advisory	*0*	*0*	*0*
Generic advisory	*0*	*0*	*0*

On 30 June 2021, the company signed a contract with the holding company HPS S.r.l. for the provision of centralized services, which involves a total annual outlay of euro 60 thousand.

SECTION 8 - OTHER INFORMATION

8.1 AVERAGE NUMBER OF FINANCIAL ADVISORS

The average number of financial advisors in 2022 was **26**.

8.2 OTHER

Information pursuant to art. 2427-bis of the Italian Civil Code: information on the fair value of financial instruments

As at 31/12/2022, the company held no bonds; for further details, please refer to Section 4 of the Explanatory Notes - Balance Sheet - Assets.

Information pursuant to point 7-bis art. 2427 of the Italian Civil Code: use and distribution of equity items

SHAREHOLDERS' EQUITY	31/12/2022	Reserve of capital/profits	Possibility of use	Amount available	Use in the last three years
Share capital	2,006,240	---	---	---	
Share premium reserve	804,904	R. of capital	ABC	804,904	410,678
Profit from previous years	204,364	R. of profits	ABC	189,962	
FTA reserve	8,426				
Valuation reserve	(14,402)	R. of capital			
Net profit	(796,059)			(796,059)	
TOTAL	**2,213,473**			**198,807**	**410,678**
		Non-distributable portion		**-**	
		Available portion that can be distributed		**198,807**	

A = share capital increase *B = coverage of losses* *C = distribution to shareholders*

The reserves in the last three years were used exclusively to cover losses.

Advertising pursuant to art. 2427 of the Italian Civil Code and Article 37, paragraph 16, of Italian Legislative Decree 39/2010

The following table shows the fees pertaining to 2022, for auditing services and for services other than auditing ones provided by the same auditing firm and by entities belonging to its network.

Services	Company	Recipient	Consideration
Audit services	Crowe Bompani S.p.A.	SCM SIM	31,500
Certification services	Crowe Bompani S.p.A.	SCM SIM	0
Other services			0
Total			31,500

It should be noted that the fees indicated above do not include VAT and expenses

Milan, 21 March 2023

THE CHAIRPERSON OF THE BOARD OF DIRECTORS

Maria Leddi

The undersigned MARIA LEDDI, Chairperson of the Board of Directors of the company SOLUTIONS CAPITAL MANAGEMENT SIM S.p.A., aware of the criminal liability envisaged in the event of false declaration, certifies, pursuant to art. 47 of Presidential Decree 445/2000, the correspondence of this document to that kept in the company's records.

Stamp duty paid virtually through the Milan Chamber of Commerce, authorization no. 3/4774/2000 of 19/07/2000.

THE CHAIRPERSON OF THE BOARD OF DIRECTORS

Maria Leddi