

Press Release

S.C.M. SIM: results improved significantly in the first half of 2023

- **Fee and commission income:** Euro 3.61 million, +42% compared to Euro 2.55 million as at 30.06.2022
- **Net interest and other banking income:** Euro 1.91 million, +31% vs Euro 1.45 million as at 30.06.2022
- **Operating result:** Euro -0.24 million, an improvement compared to Euro -0.58 million as at 30.06.2022
- **Assets under control:** Euro 913 million (Euro 848 million as at 31.12.2022)
 - Assets under management of Euro 246 million (Euro 211 million as at 31.12.2022)
 - Advisory assets of Euro 263 million (Euro 252 million as at 31.12.2022)
 - Value of insurance products of Euro 371 million (Euro 357 million as at 31.12.2022)
 - SICAV assets of Euro 33 million (Euro 29 million as at 31.12.2022)
- **Financial and insurance advisors:** 35 (35 as at 31.12.2022)

Milan, 26 September 2023

The Board of Directors of **Solutions Capital Management SIM S.p.A.** (the "Company" or "SCM SIM"), a company listed on Euronext Growth Milan of Borsa Italiana S.p.A. and in the open market segment "Quotation Board" of the Frankfurt Stock Exchange, met today and approved the Half-Yearly Financial Report as at 30 June 2023, drafted according to the international accounting standards (IAS/IFRS).

"We have focused on developing the network and expanding the range of services, mainly in the insurance sector, to broaden our scope and the increase in revenues shows that we are on the right track. We will continue on this path, increasing the number of advisors, which has now reached more than 100 in the space of a few months, and improving the structure of a customer service model geared towards increasing the awareness of choices."

Antonello Sanna, Managing Director

Half-yearly Economic-financial results as at 30 June 2023

Fee and commission income amounted to Euro 3.6 million, marking robust growth of **42%** compared to the first half of the previous year. This result was achieved thanks, in particular, to the contribution of fees on **generic advisory** transactions (**+594%**, from Euro 228 thousand in the first half of 2022 to Euro 1.58 million as at 30 June 2023), of **asset management** fees and commissions (**+16%**, from Euro 0.94 million in the first half of 2022 to Euro 1.09 million at 30 June 2023), of commissions on **investments** (**+7%**, from Euro 0.46 million in the first half of 2022 to Euro 0.49 million as at 30 June 2023) and **performance** fees (**+526%**, from Euro 12 thousand in

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Resolved Share Capital Euro 2,406,240, subscribed and paid-up Euro 2,006,240 • Joint Stock Company VAT number: 06548800967 • Rea (Economic and Administrative Index) no.: 1899233•

Enrolled in the Register of SIM Groups • Enrolled in the Register of SIMs under no. 272 with Consob resolution no. 17202 of 02/03/2010
Registered in the RUI (Single Register of Insurance Brokers) under No. D-000416928 • Member of the National Guarantee Fund

the first half of 2022 to Euro 77 thousand as at 30 June 2023). Commissions in the **insurance** sector were down (from Euro 0.91 million in the first half of 2022 to Euro 0.38 million as at 30 June 2023), due to the events that affected the Italian market during the first half of the year.

Fee and commission expense, amounting to Euro 1.70 million (Euro 1.09 million as at 30 June 2022), increased more than fee and commission income due to the different composition compared to the previous year.

Net interest and other banking income grew significantly to Euro **1.91** million, **+ 31%** compared to Euro 1.45 million recorded as at 30 June 2022.

Operating costs recorded an increase compared to the first half of 2022 (+4.1%) due to the change in non-deductible VAT (+31.4%) and other administrative expenses (+8.2%) due to the higher advisory and training costs, while personnel costs fell (-2.3%).

SCM SIM closed the first half of 2023 by halving the loss compared to the same period of the previous year, with a **net result of** Euro -0.24 million compared to Euro -0.58 million euro as at 30 June 2022.

Net deposits were positive for over Euro 38 million, while **adjusted net inflows** (which do not consider the closure of some inactive generic advisory contracts) were positive for over Euro 133 million, with inflows from **asset management reporting** a positive figure of Euro 26 million and **advisory** inflows exceeding Euro 103 million.

Assets Under Control amounted to Euro 913 million, up by Euro 65 million compared to Euro 848 million as at 31 December 2022. In particular, **assets under management** amounted to Euro 246 million, compared to Euro 211 million as at 31 December 2022, **advisory assets** came to Euro 263 million, compared to Euro 252 million as at 31 December 2022, the **insurance** portfolio (value of policies) totalled Euro 371 million, compared to Euro 357 million as at 31 December 2022 and **SICAV** assets amounted to Euro 33 million, compared to Euro 29 million as at 31 December 2022.

Shareholders' equity increased to Euro **2.8** million, compared to Euro 2.4 million as at 31 December 2022, due to the share capital increase closed on 31 March 2023, net of the loss for the period.

Main events during the first half of 2023

In the first half of 2023, business development continued according to what was defined in the strategic planning phase, at the same time finalising some important advisory transactions.

On 28 February 2023, the Board of Directors also approved the 2023-2025 Business Plan, which outlines the following strategic lines:

- Strengthening of the sales network with the entry of new personnel;
- Development of a partnership with an insurance broker;
- Development of the Corporate division;
- Sustainable growth of assets over the three-year period;

- Expansion of the *share of wallet* of the customer base;
- Enhancement of the commercial offer.

On 31 March, the **share capital increase** approved by the Board of Directors on 28 December 2022 was completed, partially executing the proxy received from the extraordinary shareholders' meeting held on 28 November 2022. The unit subscription price was set at **Euro 3.60** and at the close of the transaction a total of **228,024 shares** had been subscribed for a total value of **Euro 820,886.40**, equal to 75.8% of the total approved. After the close of the offer period, the shares were subscribed for approximately Euro 300 thousand by two foreign investors - who had already expressed their interest, as communicated on 28 December 2022 - and for the remainder by the parent company HPS - Holding Partecipazioni Societarie. The share capital subscribed after the increase is therefore equal to **Euro 2,234,264**, divided into **2,234,264 ordinary shares**.

Significant events after the first half and business outlook

In August, an agreement was signed with an insurance broker to report professionals interested in signing partnership contracts to distribute insurance products on behalf of SCM. The transaction, which forms part of the strategic actions outlined in the Business Plan, will have a significant impact on the strengthening of the distribution network, which will be able to call on several new highly experienced and professional advisors, making a positive contribution to the company's medium-term results.

On 20 September, following the aforementioned agreement, SCM SIM announced that it had completed the hiring of 65 advisors in its distribution network, which now exceeds a total of 100 people. The recruitment operation will continue significantly until the end of the year, involving highly professional consultants operating throughout the country.

On the strength of the results achieved in the first half of the year, the Company intends to continue vigorously with the business development activities outlined in the approved Business Plan, and to further sharpen the focus on sustainability, both at company level and in terms of investments.

Documentation

The Half-yearly Financial Report as at 30 June 2023 will be made available to the public within the terms and in the manner set forth in the Euronext Growth Milan Issuers' Regulations, as well as on the Company's website, www.scmsim.it, in the "Investors/Financial Statements and Reports" section.

Below

- Balance Sheet of SCM SIM S.p.A. as at 30 June 2023
- Income Statement of SCM SIM S.p.A. as at 30 June 2023
- Cash Flow Statement of SCM SIM S.p.A. as at 30 June 2023

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This press release is available on the Company's website www.scmsim.it under Investors>Press Releases.

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

For information:

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BALANCE SHEET ASSETS

Values in units of Euro

	30/06/2023	31/12/2022
10. Cash and cash equivalents	846,556	352,172
20. Financial assets measured at fair value through profit or loss	-	-
a) <i>financial assets held for trading</i>	-	-
b) <i>financial liabilities designated at fair value</i>	-	-
c) <i>other financial assets measured at fair value as per mandatory requirements</i>	-	-
40. Financial assets measured at amortised cost	2,107,915	2,383,387
a) <i>receivables from banks</i>	-	-
c) <i>trade receivables</i>	2,107,915	2,383,387
80. Tangible assets	749,785	877,136
90. Intangible assets	80,163	100,163
100. Tax assets	892,496	893,983
a) <i>Current</i>	79,442	79,442
b) <i>Prepaid</i>	813,054	814,541
120. Other assets	724,595	615,296
TOTAL ASSETS	5,401,509	5,222,136

LIABILITIES AND SHAREHOLDERS' EQUITY

	30/06/2023	31/12/2022
10. Financial liabilities measured at amortised cost	1,386,563	1,513,171
a) <i>debts</i>	1,386,563	1,513,171
b) <i>outstanding securities</i>	-	-
60. Tax liabilities	2,661	2,661
a) <i>Current</i>	-	-
b) <i>Deferred</i>	2,661	2,661
80. Other liabilities	1,036,422	1,322,788
90. Employee severance indemnities	177,471	170,043
110. Capital	2,234,264	2,006,240
140. Share premium accounts	601,707	804,904
150. Reserves	212,790	212,790
160. Valuation reserves	(9,692)	(14,402)
170. Profit (loss) for the year	(240,678)	(796,059)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,401,509	5,222,136

INCOME STATEMENT

Values in units of Euro

	30/06/2023	30/06/2022
10. Net trading profit (loss)	-	-
30. Gains (losses) on disposal or repurchase of:	-	-
a) <i>financial assets</i>		
b) <i>financial liabilities</i>		
40. Net profit (loss) from other financial assets and liabilities measured at fair value through profit or loss	-	-
a) <i>Financial assets and liabilities designated at fair value</i>		
b) <i>Financial assets measured at fair value as per mandatory requirements</i>	-	-
50. Fee and commission income	3,608,158	2,546,615
60. Fee and commission expense	- 1,683,448	- 1,067,156
70. Interest income and similar revenues	-	-
80. Interest expense and similar charges	- 19,617	- 25,519
90. Dividends and similar income	-	-
110. Net interest and other banking income	1,905,093	1,453,940
120. Net value adjustments/write-backs for credit risk of:		
a) <i>financial assets measured at amortised cost</i>	-	-
b) <i>financial assets measured at fair value through other comprehensive income</i>	-	-
130. Net profit (loss) from financial operations	1,905,093	1,453,940
140. Administrative expenses	- 1,966,697	- 1,888,533
a) <i>personnel expenses</i>	- 875,760	- 896,182
b) <i>Other administrative expenses</i>	- 1,090,937	- 992,351
160. Net value adjustments/write-backs on tangible assets	- 131,756	- 146,112
170. Net value adjustments/write-backs on intangible assets	- 20,000	- 25,297
180. Other operating income and expenses	- 27,318	27,753
190. OPERATING COSTS	- 2,145,771	- 2,032,189
240. Pre-tax profit (loss) from current assets	- 240,678	- 578,249
250. Income taxes for the year on current operations		
260. Profit (loss) after taxes from current assets	- 240,678	- 578,249
280. Profit (loss) for the year	- 240,678	- 578,249

CASH FLOW STATEMENT

	30/06/2023	31/12/2022	30/06/2022
Direct method			
A. OPERATING ACTIVITIES			
1. Management	-88,921	-342,965	-603,768
interest income collected			
interest expense paid	-19,617	-47,994	-25,519
dividends and similar income			
net fee and commission income	1,924,710	3,676,960	1,479,459
personnel expenses	-875,760	-1,805,608	-896,182
other costs	-1,167,986	-2,288,040	-1,189,279
other revenues	49,731	121,717	27,753
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	334,247	61,779	496,753
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	334,247	61,779	496,753
3. Cash flow generated/absorbed by financial liabilities	109,413	67,776	-557
financial liabilities measured at amortised cost			
financial liabilities held for trading			
financial liabilities designated at fair value			
other liabilities	109,413	67,776	-557
Net cash flow generated/absorbed by operating activities	354,738	-213,410	-107,572
B. INVESTMENT ACTIVITIES			
1. Cash flow generated by	0	-	-
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	139,646	33,418	20,880
purchases of equity investments			
purchases of tangible assets	137,227	4,543	16,805
purchases of intangible assets	2,419	28,875	4,075
purchases of business units			
Net cash flow generated/absorbed by investment activities	139,646	-33,418	20,880
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			0
NET CASH FLOW GENERATED/ABSORBED DURING THE YEAR	494,384	-246,828	-86,692
RECONCILIATION			
Cash and cash equivalents at the beginning of the year	352,172	599,000	599,000
Total net cash flow generated/absorbed during the year	494,384	-246,828	-86,692
Cash and cash equivalents: effect of changes in exchange rates			
Cash and cash equivalents at the end of the year	846,556	352,172	512,308