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 EUR 2,634,264, subscribed and paid-up EUR 2,234,264
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

REPORT ON OPERATIONS AS AT 31 DECEMBER 2023

Dear Shareholders,

the financial statements as at 31 December 2023, which we submit for your approval, closed with a loss of EUR 260,922 compared to a loss of EUR 796,059 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 global economy in the first months of 2023 was more vigorous than expected, albeit characterised by conflicting variables, with a robust pick-up in economic activity in China, the resilience of the US labour market and monetary tightening, implemented by several central banks, dampening domestic demand in several countries. Overall, growth in world GDP, and even more so in international trade, was still weak.

Overall inflation continued its descent worldwide, although it still remained at high levels.

On the whole, macroeconomic data were positive and for the first time, European and US interest yields declined, anticipating the end of tightening and hikes. The stock market recovered at the beginning of the year compared to the end of the previous year.

In the US, the rise in official rates and the reduction in the central bank's securities portfolio led to a reduction in fixed investments and a drop in real estate prices. However, GDP growth of 0.3% in the first quarter was sufficient to keep the unemployment rate stable and wage growth sustained. Inflation fell to 5%, remaining well above the Federal Reserve's target.

In March, two U.S. regional banks, Signature Bank and Silicon Valley Bank, both associated with the technology sector, faced a severe liquidity crisis resulting in their bankruptcy. The phenomenon has led to a weakening of the macroeconomic structure and heightened stress on the banking sector. This has been evident in Europe with the intervention by Swiss authorities to rescue the financial giant Credit Suisse. The transaction took place through UBS's acquisition of the Swiss competitor.

On the equity front, the major US indices, underpinned by large cap stocks, generated a positive performance, with the technology sector driving the entire market.

The euro area economy grew by 0.1% in the first quarter of 2023. Lower energy prices, the easing of supply-side bottlenecks and budgetary measures in favour of households and businesses have contributed to the economy's resilience.

Private domestic demand remained weak, while business and consumer confidence steadily improved.
Divergent trends have been noted across economic sectors: manufacturing has seen a decline in prospects following a significant post-Covid recovery, whereas the service sector has experienced robust growth, particularly after the resumption of economic activities.
Household incomes benefited from the good performance of the labour market, with the unemployment rate reaching a record low of 6.5% in March and employment surpassing pre-pandemic levels.
Consumer spending continued to be affected by high inflation, which still stood at 6.9% in March.
The European Central Bank continued the tightening of monetary policy. Official rates rose by 100 basis points between February and March, and the reduction of the Asset Purchase Programme (APP) portfolio commenced.
The rise in official rates had little effect on medium- and long-term yields, offset by a fall in expectations of future developments. The ten-year spread between BTP and Bund fell from 211 to 178 basis points in the first quarter.
In Italy, there was a widespread decline in industrial production in the early months of the year, yet the confidence among manufacturing firms appeared to be on the upswing. GDP grew by 0.5% in the first quarter of 2023.
The main financial markets exhibited a positive performance, though it was marked by significant price volatility, amid an uncertain macroeconomic landscape and the turmoil stemming from the crisis of US regional banks and Credit Suisse. For the stock exchanges, after a strong start to the year, the aforementioned crisis cases created temporary tensions in the first half of March.
Despite periods of significant volatility, bonds concluded the first quarter with a positive performance.
On the equity front, the major US indices, underpinned by large cap stocks, generated a positive performance during the month, with the technology sector driving the entire market.
The **second** quarter was characterised by a complex interplay of economic factors, monetary policies and global developments.

Inflation has generally decreased, although the "core" component remained high. For the first time, America has experienced a pause in rate hikes, while Europe's monetary policy tends to lag a few months behind that of the United States. With regard to the financial markets, in America there has been a rise in interest rate curves with an ever-increasing inversion trend. On the equity front, Wall Street indices generated performance in excess of 5%, outperforming the European stock markets. On the bond front, however, European curves were stable, while in America the ten-year increased by more than 40bps.
Market expectations for euro area short-term benchmark rates increased, following central banks' announcements of a tightening of monetary policy. These concerns diminished in July when the backdrop revealed inflation in the United States was lower than expected, prompting a reassessment of monetary policy.
Overall, euro area government bond yields moved broadly in line with risk-free rates, although there was some volatility within the period due to market sensitivity to monetary policy communication and macroeconomic news. Yield spreads on corporate bonds in the euro area showed a stable trend.
Despite some fluctuations, stock prices were largely stable, whereas in the foreign exchange market, the euro gained value against the US dollar.

The **third quarter** was influenced by monetary policy decisions and important economic developments.
The ECB raised rates twice, while in America there was a pause in the rises after the July increase. In the US, markets performed negatively, with the Nasdaq and the S&P500 dropping more than three points; in addition, the bond market saw considerable pressure on government bond yields, which caused the 10-year treasury to rise by 75 bps.
In the euro area, financial market developments reflected expectations of stable short-term benchmark rates, while long-term rates increased. Equity prices for non-financial companies have seen a decline, and concurrently, spreads on euro area corporate bonds have experienced a marginal increase, notably within the high-yield segment. The escalation of tensions in the Middle East since the

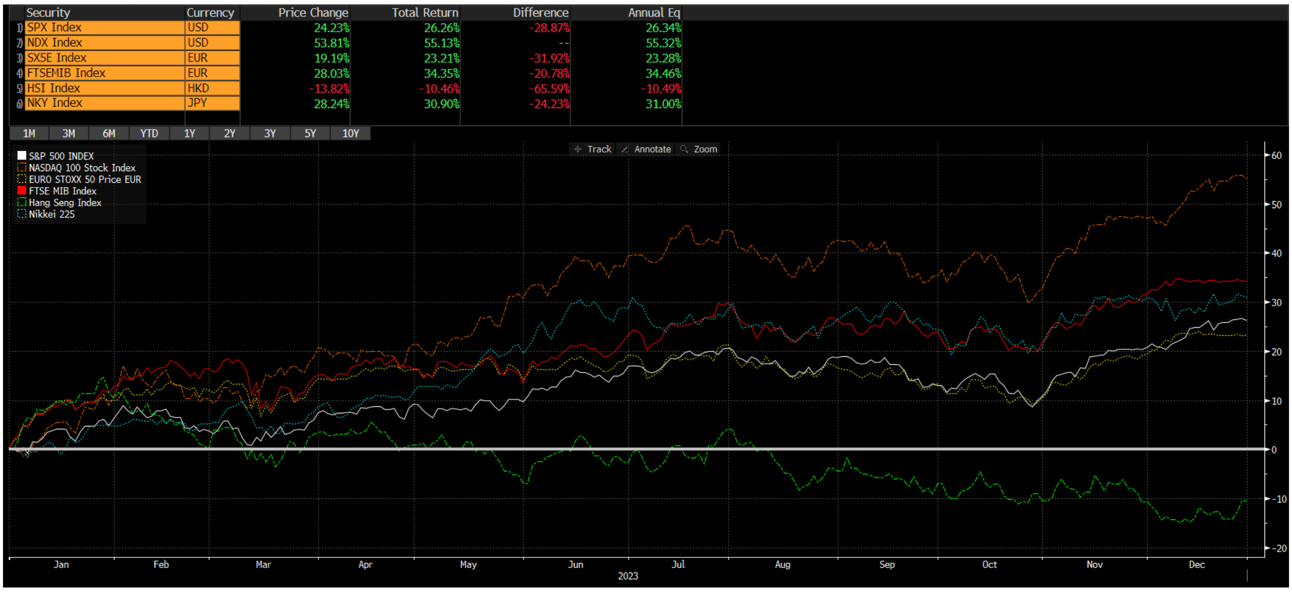
beginning of October, although leading to increased market volatility, overall it had a limited impact on euro area financial markets.
Inflation trended downwards, while the core component remained resilient. A significant event was the oil rally, up almost 30% during the quarter.

The last **quarter** of the year was characterised by the interaction between macroeconomic factors and complex geopolitical dynamics, linked to the outbreak of the Israeli-Palestinian conflict and tensions in the Red Sea.
In America, the Federal Reserve has reached a peak in the rate hike cycle and rate cuts are looming as early as the first half of 2024. In the financial markets, the fourth quarter proved to be very positive for both the United States and Europe, partly due to a downward trend in inflation. On Wall Street, the Nasdaq index outperformed the S&P500, returning 14%. Finally, with reference to the bond market, the drop in yields on government bonds was significant, highlighted by a 70 basis points decrease in the US 10-year bond.
In December, the markets' attention shifted once again to focus on central bank decisions and, as widely expected, both the Federal Reserve, the ECB and the Bank of England kept their benchmark rates unchanged.
The euro area economy stagnated in the last quarter of 2023 and the latest data continue to signal a weak dynamic in the short term.
The labour market remained robust with the unemployment rate returning to its lowest level since the introduction of the euro and entries into the labour force increased. Structural reforms and investments aimed at improving supply capacity may help reduce price pressures in the medium term, while supporting ecological and digital transitions.
Financial markets continued to focus on inflation trends and expected monetary policy adjustments. Following the expected decision to leave reference rates unchanged, the short-term segment of the free-risk rate curve changed only marginally during the period, and yields on euro area government bonds followed this trend.
Equity prices remained within a narrow range as the decline in earnings expectations was offset by a reduction in the equity risk premium. Euro area

corporate bond markets remained largely unchanged, with a slight decline in the high-yield segment.

PERFORMANCE OF THE MAIN EQUITY INDICES

In conclusion, as can be seen from the graphic, 2023 was a particularly positive year for the stock market, despite the continuation of the rate hike by the major central banks, which started in 2022. The tightening of monetary policies, with the ECB rate on the main refinancing transactions reaching 4.5% and the Fed's Upper Bound rate at 5.5%, had an impact on the containment of inflation which trended downwards during the year.



	Security	Currency	Price Change	Total Return	Difference	Annual Eq
1)	SPX Index	USD	24.23%	26.26%	-28.87%	26.34%
2)	NDX Index	USD	53.81%	55.13%	--	55.32%
3)	SX5E Index	EUR	19.19%	23.21%	-31.92%	23.28%
4)	FTSEMIB Index	EUR	28.03%	34.35%	-20.78%	34.46%
5)	HSI Index	HKD	-13.82%	-10.46%	-65.59%	-10.49%
6)	NKY Index	JPY	28.24%	30.90%	-24.23%	31.00%

** Source: 'Bloomberg'*

Among the best indices, the Nasdaq performed 53.8%, followed by the Nikkei 225 (+28%) and FTSE MIB (+28%).

Among the worst performers was the Chinese Hang Seng index, with a negative performance of 13.8%.

Mercati Obbligazionari	2023	Yield
US HY in USD	13,45%	7,59%
Europe HY	12,12%	7,08%
US IG in USD	8,52%	5,06%
Europe IG	8,19%	3,56%
Gov EM in USD	1,96%	7,65%
Gov Em in local currency	6,61%	4,08%
EM corporate in USD	6,65%	7,00%

Tassi Governativi	2023	Variazione YTD
10yr Germany	2,021	-54
10yr Italy	3,69	-101
10yr Spain	2,981	-67
10yr Portugal	2,626	-95
10yr US	3,88	0

Considerations

At the end of each year, questions are asked about future developments in the financial markets and prophecies are made about the performance of the various asset classes.
Inflation dynamics will still be predominant in understanding market trends, as it is closely correlated with the moves of the various central banks.
The outlook for the euro area points to economic growth remaining weak in the medium to short term, as a direct consequence of restrictive monetary conditions.
Forecasts indicate a modest annual increase in real GDP growth, expected to rise from 0.6% in 2023 to 0.8% in 2024, and then to 1.5% in both 2025 and 2026.
With regard to the labour market, employment growth forecasts indicate a constant annual increase of 0.4% through 2026.
Inflation, which has been on a downward trend during 2023, is anticipated to continue decreasing in the coming years, albeit at a more gradual rate than recently observed. The impact of the ECB's monetary policy is projected to bring inflation down to 2.7% in 2024, to 2.1% in 2025 and then to 1.9% in 2026.
The evolution of monetary policy by the Fed will certainly remain a topic on which the financial markets will focus in 2024. From what emerged from the last Federal Reserve meeting in December 2023, the rate hike cycle may have reached its peak, with market now pricing in a possible rate cut in 2024 amounting to 75 basis points.
Forecasts for the US economy indicate a contraction in growth: GDP is expected to increase by 1.4% in 2024, down from 2.6% in 2023, and then grow to 1.8% and 1.9% in 2025 and 2026, respectively.
On the inflation front, the Personal Consumption Expenditures Index, the Fed's favourite indicator to measure inflation, is expected to settle at 2.4% in 2024, 2.1% in 2025 and only reach the 2% target in 2026.

Evolution of the regulatory context

In 2023, there are few important changes from a regulatory point of view. Prominent among these are the measures on whistleblowing and updates on anti-money laundering.

WHISTLEBLOWING

The rules on whistleblowing were recently amended by Legislative Decree No. 24 of 10 March 2023, implementing Directive (EU) 2019/1937 of the European Parliament and of the Council.

Specifically, the provision in question is applicable to entities in both the public and private sectors. In the case of the private sector, the law expands its scope to include all entities that have employed an average of at least 50 workers on permanent or fixed-term contracts over the past year. Also included among the recipients, even if they do not reach that number of employees, are entities, including the SIM, that operate in specific areas, such as the sector of financial services, products and markets and the prevention of money laundering and the financing of terrorism, environmental protection and transport safety, and entities that have adopted organisational models pursuant to Legislative Decree No. 231/2001.

The crux of the update is the introduction of the obligation, borne by the recipients, to activate their own reporting channels that must guarantee the confidentiality:

- of the whistleblower;
- of the facilitator, *i.e.*, the natural person assisting the whistleblower in the reporting process, operating within the same work context;
- of the person involved or in any case of the persons mentioned in the whistleblower report;
- of the content of the report and the relevant documentation.

These entities are also required to define procedures for receiving and handling whistleblowing reports.

SCM INITIATIVES

In implementation of the aforementioned provisions, the Company has defined internal reporting channels and procedures for receiving and handling whistleblowing reports, together with the additional information required by the whistleblowing regulations under review, and has provided adequate disclosure in compliance with the provisions of the aforementioned regulatory measure.

Finally, the Company has planned and implemented staff awareness-raising and training initiatives to disseminate the purpose of the institution of whistleblowing and the procedure for its use.

ANTI-MONEY LAUNDERING

The Bank of Italy's Measure of 1 August 2023 concerning amendments to the "Bank of Italy Provisions on Organisation, Procedures and Internal Controls for Anti-Money Laundering Purposes" of 26 March 2019 made far-reaching changes to the provisions - in force since June 2019 - establishing the safeguards in terms of organisation, procedures and internal controls, as well as information systems, with which intermediaries subject to the Bank of Italy's anti-money laundering supervision must equip themselves in order to have an effective and adequate anti-money laundering governance and compliance system based on the so-called risk-based approach.

With the measure of 1 August 2023, the Bank of Italy made some amendments to the "Bank of Italy Provisions on Organisation, Procedures and Internal Controls for Anti-Money Laundering Purposes" of 26 March 2019.

The amendments came into force on 14 November 2023 with the purpose of implementing the guidelines published by the European Banking Authority in June 2022, aimed at harmonising the anti-money laundering governance and internal controls (the "EBA Guidelines") at European level in order to have an effective and adequate anti-money laundering governance and compliance system based on the so-called risk-based approach.

Among the important innovations made to the current Anti-Money Laundering Provisions is the introduction, among the minimum organisational safeguards that recipients are required to adopt, of the new figure of the anti-money laundering officer.

The main function that this new figure is called upon to perform is to act as a point of contact between the manager of the Anti-money laundering Department and the corporate bodies, ensuring that the latter are provided with the information they need to enable a comprehensive understanding of the money laundering risks faced by the intermediary, and thereby facilitating the effective exercise of their respective responsibilities.

The new figure’s role entails reporting on strategic elements, including the development of money laundering risk governance policies and the different stages of the money laundering risk management process, as well as involving the regular assessment, at a minimum on an annual basis, of the anti-money laundering department’s performance and the sufficiency of the human and technical resources allocated to it. The new figure’s role shall also cover the assessing in advance of the money laundering risk associated with offering new products and services, significantly altering products or services already offered, entering a new market or starting new activities, and the recommending measures to mitigate and manage these risks.

The designation of the AML Compliance Officer, which does not reduce the collective liability of the corporate bodies regarding anti-money laundering, falls under the purview of the strategic supervisory body which is tasked with selecting the representative from among its members or the General Manager, making assessments in line with the principle of proportionality.

Among the most significant innovations of the new AML Provisions is the requirement to ensure the operational continuity of the anti-money laundering department, by identifying organisational solutions for cases of the head's absence, such as the appointment of a deputy. To this end, in accordance with the principle of proportionality, it is envisaged that the same AML Compliance Officer may fulfil this role.

The training of personnel and employees within the distribution network is also of particular importance. This particular aspect, while not novel in itself, is further emphasised by the new AML Provisions which mandate the adoption of "indicators of effectiveness for the training activities conducted" by the anti-money laundering department. In the case of the use of an external provider, the Anti-Money Laundering Manager is in fact called upon by the new AML provisions to ensure that the persons entrusted with the conduct of the training have AML knowledge and that the content of the training is tailored to the specificities of the recipient.

SCM INITIATIVES

The Company, in compliance with the new regulatory provisions, has identified Mr Somma, a member of the strategic supervisory body, the figure of the AML Compliance Officer - a person with the necessary anti-money laundering expertise - in addition to carrying out the necessary revision of the company's anti-money laundering policy.

In this regard, it is noted - also following the execution of the money laundering risk self-assessment exercise carried out annually - that SCM's business model and type of customers are associated with a very low risk related to money laundering and terrorist financing.

THE SERVICE OF RECEIVING AND TRANSMITTING ORDERS

During the year, the Company undertook the process aimed at requesting the competent Supervisory Authorities to extend its authorisation licences, taking the necessary board resolutions to issue the authorisation to provide the investment service of order receipt and transmission in Italy pursuant to Articles 1, paragraph 5, letter e) and 5-sexies of the Italian Consolidated Law on Finance, without operating limitations, and to remove the operating limitations on the holding of customers' liquidity assets and financial instruments.

The authorisation process, which is now at an advanced stage, is in line with the path of constant growth in relation to the expansion of assets through the acquisition of new financial advisors and, consequently, new customers, as well as in accordance with the desire to broaden the range of offerings and increase the quality of the placement service linked to the investment advisory service.

It should be noted, in this regard, that an operating model that envisages the possibility for the SIM, in relation to the services of placement, reception and transmission of orders and investment advice, to receive cash on deposit and financial instruments on sub-deposit, makes it possible, in the first instance, to align all operations that already have such an operating solution for the portfolio management service. Secondly, this extension enables the enhancement of both the efficiency and the quality of services provided to customers.

Similarly, the provision of the order receipt and transmission service allows the SIM to expand its offering, making the provision of the advisory service more efficient for the customer, since the SIM will be able to directly receive the customer's order and transmit it to the chosen broker.

It was assumed that the new service will be provided as a complement to investment advice to enable the customer to execute recommendations at SCM. To this end, the customer, in the hypothesised operational scheme, would open an investment advisory and RTO relationship with the company, whereby recommendations would be produced, which, once accepted by the customer, would then be executed through the selected brokers.

Activities carried out and corporate situation

In 2023, ordinary, extraordinary and consolidation 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 continued the development of the "onboarding" part of the Guardian Web portal with the aim of covering insurance consultancy, in addition to the core activities already developed.
The registration of individuals subscribing to policies has been integrated into the Position Keeping system, enabling online compilation of the master data and digital signatures by both the customer and the advisor.
The integration of the insurance part will make it possible to digitise the initial phase of the relationship with customers, even if they only own an insurance product, and will make the control phase by the back office efficient, avoiding paper-based procedures and double entries in the information system, a source of potential errors. This innovation will also serve to define insurance adequacy, replicating what has been done so far in a disjointed manner by insurance counterparties.

ESG

The company continued to follow the evolution of the ESG guidelines, monitoring the development of the previously required application solutions.
The decision was made to operate solely through the use of ETFs/ETCs in the portfolios subject to the service, with SFDR 8 and 9 classification, and algorithms have been defined to perform a specific "marking" of financial instruments based on information derived from a qualified data provider.
Specific controls, created in collaboration with the Risk Manager, were further refined to assess the alignment of the ESG lines with the regulatory requirements and to monitor the universe of securities with the ESG marking.

Data Warehouse and Company Software

During 2023, the development activities started in the previous year continued, with particular focus on the production of reporting and controls in the Operations area, in the context of Risk Management and reporting.

The company's information system has been enhanced by integrating a new database designed for the business intelligence platform, thus enabling management to develop automated dashboards which are set to take over some aspects of the reporting process previously done by manually.

The Risk Management database was further enhanced with the addition of new control reporting, in particular on returns and limit checking.

The company's intranet has been enhanced with the addition of new functionalities at the service, in particular, of the back office and administration.

The IT department has updated, finally, the automations relating to controls, referrals, 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:

- Development of the insurance module and implementation of the onboarding process for the relevant customers of the sub-fund. This innovation will lead to the elimination of manual back office activities in the initial phase of the relationship with the insurance customer and will improve the adequacy process, which, in the long run, can be shared with companies in order to avoid double attribution phenomena;
- improvement of the web interface for end customers;
- improvements in the system for the creation of internal limits;
- optimisation of the automated reporting system, with scheduling on a single position;
- fully customisable report creation system;

- refining of the development of ideal portfolios/mobile weights model;

The year 2023 also saw the conclusion of the PFP - Personal Financial Plan software project, implemented in collaboration with AAtech. After the conclusion of the first phase and the move to new hosting, further “in-house” developments are planned to improve the advisor experience and increasingly meet customer needs.

Commercial activity

In 2023, the distribution network saw an increase of about 60 new insurance advisors from an intermediary with whom the SIM had closed a referral agreement.
At the same time, two new offices were opened, in Arezzo and Milan, precisely to allow the new colleagues to operate in continuity with their previous experience.
The search for two more offices, in Cesena and Alessandria, has also begun. Five managers were appointed to be responsible for office development and management.
The strategy, already implemented with part of the Pramerica network - acquired by Eurovita - is to look for experienced salespeople in the insurance world, offering them the opportunity to be supported in passing the financial advisor exam.
The advantage for SCM is the possibility of training advisors towards a model with more consultancy content, as opposed to traditional networks where product placement takes precedence over the analysis of customer needs.
In order to support its new colleagues, the SIM developed new products with Nobis and sought out other insurance companies in order to expand the product range.
In April, an agreement was signed with Sara Assicurazioni for the distribution of Multibranch (hybrid) policies, where the Separate Management is managed by the company, while the internal fund is delegated to SCM.
Subsequently, the agreement was also extended to non-life insurance.
An agreement was concluded with Vittoria Assicurazioni for the distribution of a LTC policy, a Temporary Death Case policy and a Branch III policy.
SIM also started the Onboarding process with Dual, an MGA specialising in the third-party liability, cybersecurity and succession segments.
The agreement is in the start-up phase at the time of writing this document.
Of the 60 advisors who entered, 4 passed the examination for registration as Financial Advisors in early 2024.
The network of advisors, already present in the SIM, has been thoroughly reorganised, with the appointment of three development managers. In addition, the commission model has been revised to make it simpler and more remunerative for high-profile advisors, while retaining the original assumptions,

linked to SIM’s mission to eliminate conflicts of interest during the consultative process.
As a matter of fact, today SIM has two networks, a historical one consisting essentially of 29 financial advisors and the new one made up of the most recently arrived insurance advisors.
Over the next two years, the objective will be to unify the two segments to achieve a cohesive vision that caters to both insurance and financial needs.
The year 2023 began, in continuity with the previous year, with significant difficulties in the management of customers arising from the agreement with Eurovita, as the latter was under extraordinary administration and did not allow policies to be surrendered. Moreover, it was very difficult to obtain any information, precisely because of the company’s state of emergency. In this scenario, the network has dedicated itself to customer retention, a burden that was markedly reflected in the plan’s revenues.
At the end of October, the redemption freeze period concluded, and the network began assisting customers who, alarmed by recent events, sought to redeem their contracts. It was a particularly complex period, given the multitude of requests that needed to be addressed.
From a revenue perspective, transitioning the majority of contracts to more profitable Unit Linked policies will boost the recurring income of the insurance portfolio, which was previously not remunerated by Eurovita.
The collection has regained vigour and, gradually, customers have regained their traditional serenity.
On the financial side, a new line of management has been launched, called “Deposit +”, which is completely bond-based with an average duration of around two years, in line with the Bond sector’s performance opportunities, generated by the rise in rates.
In June, a new sub-fund of the SICAV, called “Equity Stars”, was established, focusing on stock markets. The main use of this instrument is within Asset Management, to make the portfolio more efficient with risk hedging instruments, which would otherwise be impossible.
2023 was a very special year for the revenue structure, as a large portion of the Commissions were generated by Generic Advisory services.

Behind this definition, the work focused on the structuring of transactions involving the sale of tax credits deriving from the so-called Bonus 110%. In some cases, for example, potential buyers had to be found for credits acquired from ESCOs (Energy Service Companies) that had carried out work with so-called invoice discounting.
Constant regulatory changes and reports of scams involving multi-millions - which can be traced back to other, less tightly controlled bonuses - drove the banks and larger players away from this market, putting operators who did not have enough cash to pay their suppliers in a difficult situation.
SIM started looking for potential assignees who could understand the advantages of buying the aforementioned receivables at a discount.
The company structured a receivable evaluation process with the Pirola law firm in order to provide a turnkey service to the assignee, who was unfamiliar with the correct way to assess and manage tax credits.
Throughout 2023, this activity engaged the entire company to a significant extent, also because regulatory changes have required a continuous updating of the necessary procedures and documents.
The balance is very positive, as in addition to generating revenues of around 1.5 million, SIM has made a substantial contribution, due to the size of the company, to many companies that would otherwise be in difficulty.
In 2024, this activity remains of interest to the company, as the market, even though it is contracting, still exhibits significant dynamism.

Training

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.
First of all, a 7-day training course was provided on the subject of pensions in Italy, held by an expert in the field, Mr Guttadauro.
At the same time, an agreement was reached with Previon, a company that, with the customer’s authorisation, can give an accurate picture, using INPS data, of the customer’s pension situation.

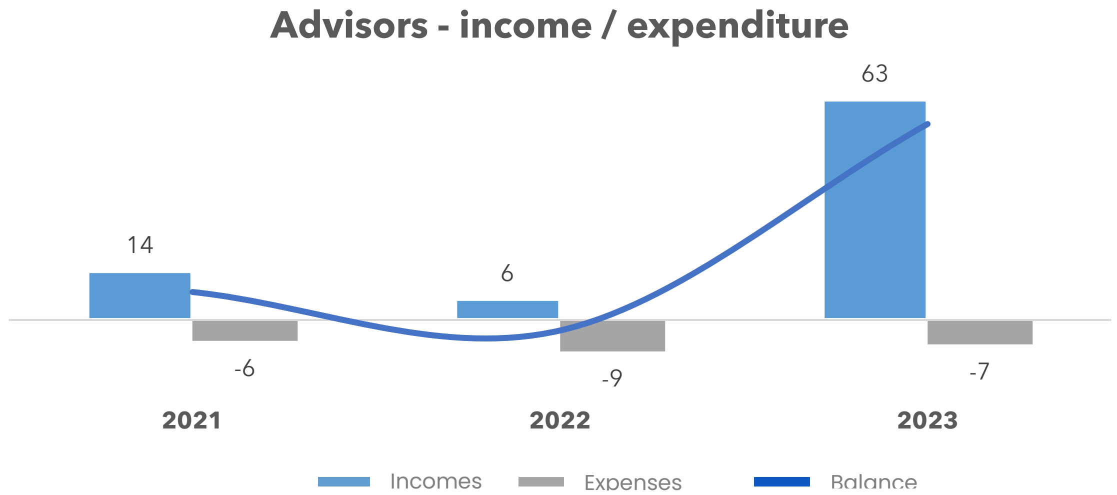
Part of the network will be trained, over time, to become pension experts, responding to a demand that is expected to grow steadily in the market.
In addition to this subject, weekly technical meetings took place over 4 months, and a course consisting of 5 sessions was organised, focusing on the behavioural aspects of customer relations.
The design and teaching were carried out by Dale Carnegie Italy and specifically by Mr Sergio Borra.
Also in 2024, an intensive training programme for the sales network is planned, which started a few weeks ago with Prof. Gandolfi, Professor at the University of Parma.

Conclusions

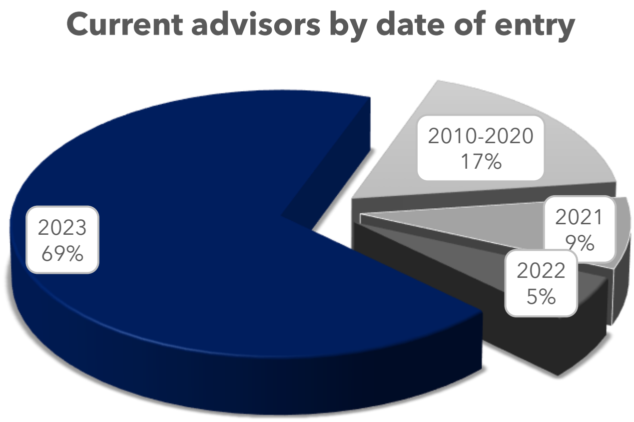
The expansion of the sales force will contribute positively to the company's results in the medium term, following a significant increase in the commission base supported by a slight adjustment of structural costs. The company aims to transform a portion of these resources – ideally all – into financial advisors with agency mandates, cultivating skills that lead to a comprehensive customer service approach, thereby enhancing the quality of service offered.
With the addition of 60 insurance advisors, SCM has broadened its product distribution range, offering a comprehensive and diverse selection for advisors to choose from.
Customer service is increasingly being enhanced by the expertise of advisors and by specialised services and products tailored to the needs of the Italian market.

Operating data

As at 31 December 2023, the company's sales network consisted of **92** advisors, of which **28** financial advisors and **64** 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.



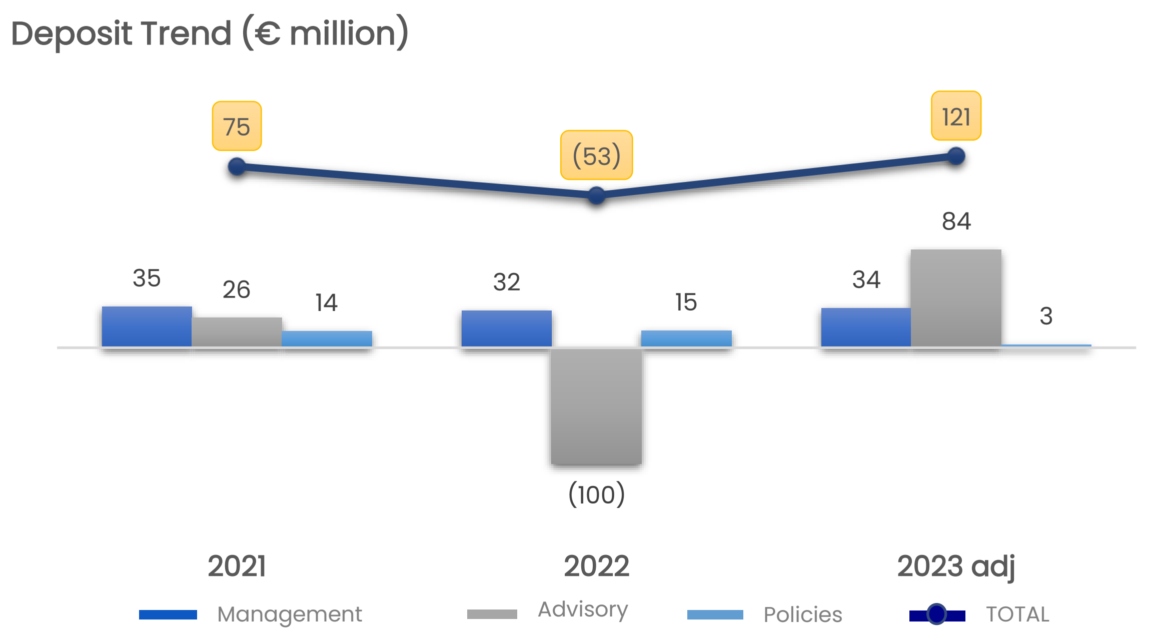
An important figure in the field of sales networks concerns their seniority since turnover largely depends on it. As can be seen in the chart below, which shows the breakdown of the network by year of entry, 69% of current advisors joined the network in the last year.



In the year 2023, net deposits of more than EUR 26 million were recorded. The most important change concerned the asset management segment with a positive result exceeding EUR **34** million. On the other hand, deposits were negative in terms of advisory services (MiFID and generic) by EUR 11 million.
The following table shows the Deposits trend in the last three years.

NET DEPOSITS (€. 000)	2021	2022	2023	2023 adj
Management	35,495	32,048	34,233	34,233
Advisory Services	25,670	(100,054)	(10,762)	84,238
Policies	14,192	14,574	2,530	2,530
TOTAL	**75,357**	**(53,432)**	**26,001**	**121,001**

** During 2023, inactive MiFID and generic advisory accounts were terminated, which resulted in negative deposits of approximately EUR 95 million. Without considering this change, total net deposits would have been positive by approximately EUR 121 million.*



As at 31 December 2023, total assets amounted to approximately EUR **928** million.

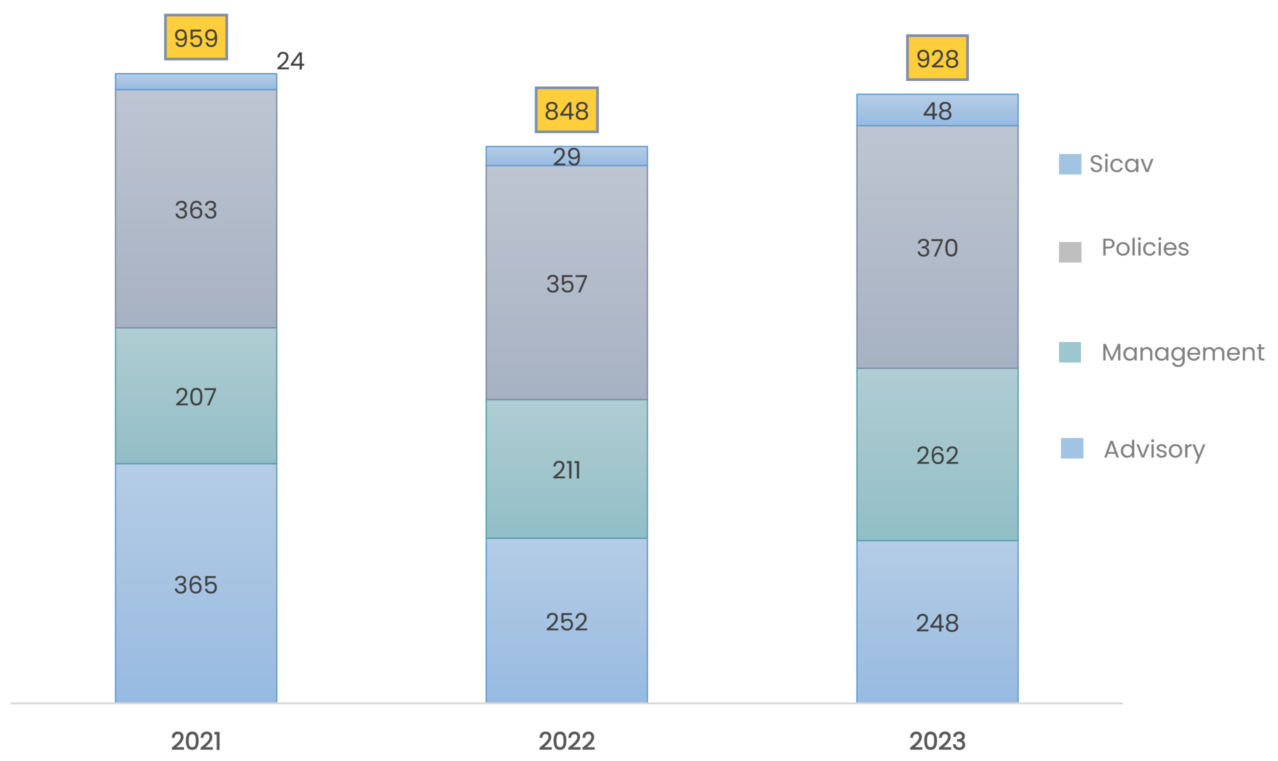
In particular, assets under management totalled EUR **262** million, generic and investment advisory totalled EUR **248** million.

The following table and the graph show the evolution.

ASSETS UNDER CONTROL (€.000)	2021	2022	2023
Management	206,973	211,055	262,358
Advisory Services	365,089	251,589	247,986
Policies	362,680	356,512	369,589
Sicav	24,179	28,915	47,614
TOTAL	**958,921**	**848,070**	**927,548**

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

Asset Trend (€ million)



Asset management

In 2023, both stock and bond markets reversed course, recovering most of the losses incurred in 2022.

Expectations about the outlook for central banks' monetary policies and the effects of the rate hike cycle on economic growth and inflationary dynamics were the main market drivers.

Central banks continued their tightening of monetary policy in 2023, with the Federal Reserve further raising rates by 100 bps, bringing the Upper Bound Rate to 5.50%. In Europe, monetary tightening was even more pronounced, with the ECB raising rates six times, taking the Deposit Facility Rate from 2% to 4%, its all-time high. Clearly, the aggressiveness of these policies had a considerable impact on price dynamics, with inflation showing a downward trend during the year. In fact, consumer price growth in the US fell to 3.1 % at the end of the year from its peak of 9.1 % in June 2022, while in the Eurozone it settled at 2.4 %, down considerably from its peak of 10.6 % in October 2022. The effect was also evident in government rates, as the ten-year treasury yield steadily rose to 5% in October before significantly retracting later in the year.

In the financial markets, the bullish trend observed in the last quarter was largely fuelled by the increasing expectation of peak interest rates and the possibility of a soft landing in the United States. The stock market, although in a decidedly positive environment, saw its performance characterised by pronounced dispersion and variability. The group known as the "Magnificent Seven" (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla) has capitalised on the robust development of artificial intelligence to significantly influence Wall Street's returns as is evident in the yield disparity between the S&P 500 index, which concluded the year with a 25% gain, and the S&P 500 Equally Weighted index, which saw a more modest increase of 11%, and the Nasdaq's performance, the best index of the year (+52%). Among the major global indices, European markets showed robust returns, with the Eurostoxx gaining 20% and the impressive Ftse Mib climbing 28%, propelled by the banking sector, while in like fashion Japanese markets ended the year with the Nikkei up 28%, benefiting from the accommodative policy and the resulting depreciation of the Yen.

In this market scenario, the equity component management lines achieved excellent performance (Chronos +25%), thanks in part to a tactical exposure to US equity. Finally, yields on bond lines were also good, which, with their limited duration, minimised the effects of rate hike.

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 EUR 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 personalised 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 optimise solutions for the retirement phase;
- advisory and planning of generational handover.

Analysis of the main financial statement items

The company closed the financial year 2023 with a negative result of EUR **260,922**, which shows a slight deviation from what was envisaged in the planning phase, mainly due to a higher retrocession to the distribution network due to the different composition of revenues from what was budgeted.

The result is primarily determined by the performance of **commission income**, which came close to EUR **7.8** million, **25**% higher than the previous year. Particularly positive results were recorded in all sub-funds, with the exception of insurance. Commissions in asset management increased by **14**%, while in the investment advisory service the increase was **24**%. Generic advisory commissions were almost twice as high as in the previous year, due in part to the contribution of generic advisory services related to credit referrals.

Commission expenses, which ranged from EUR 2.55 million in 2022 to EUR **3.74** million in 2023, increased more than proportionally with respect to assets, due to the different composition of revenues compared to the previous period, with the share of generic advisory services characterised by a higher commission retrocession to the sales network than previously observed.

Brokerage margin, which reached EUR **3.99** million, was EUR 360 thousand higher compared to the previous year (+10%), as a result of the trend in the commission margin and the average retrocession to the sales network.

Operating costs, amounting to EUR **3.89** million, recorded a decrease (-3%) compared to the previous year. In particular, as regards personnel costs, there was a decrease of 2%, mainly due to the internal reorganisation.
Other administrative expenses decreased by 3.7%, also thanks to the continuous monitoring conducted by the company's management control.
The main cost items are expenses incurred for the various management platforms, costs related to the activities required for listing, advisory services in

the legal, corporate, accounting and commercial areas, as well as network coordination costs.

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 with a correct risk weighting.

Income Statement

	2022	2023	Var 23 vs 22	% change
Interest Margin	(47,993)	(36,647)	11,347	24%
Fee and commission income	*6,227,856*	*7,770,101*	*1,542,245*	*25%*
Fee and commission expense	*(2,550,896)*	*(3,745,586)*	*(1,194,690)*	*47%*
Net fee and commission income	**3,676,960**	**4,024,515**	**347,554**	**9%**
Brokerage margin	**3,628,086**	**3,987,868**	**359,782**	**10%**
			-	
Total operating costs	(4,011,039)	(3,891,482)	119,557	3%
			-	
EBITDA	**(382,953)**	**96,386**	**479,339**	**125%**
			-	
Financial assets measured at amortized cost	(116,776)	(58,950)	57,826	50%
Amortization and depreciation	(343,177)	(315,334)	27,843	8%
Other income and expenses	39,989	16,142	(23,847)	-60%
			-	
EBT	**(802,917)**	**(261,756)**	**541,161**	**67%**
			-	
Taxes	6,858	834	*(6,024)*	*-88%*
			-	
Result	**(796,059)**	**(260,922)**	**535,137**	**67%**

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 generic advisory services for reporting tax credits and, in part, also for the distribution of insurance products, which were realised in the latter part of the year with the entry of numerous advisors in the fourth quarter.

More specifically, receivables deriving from commissions for generic advisory services include those resulting from various transactions that the company carried out in 2023 providing assistance for the sale of tax receivables.

The remainder relates to receivables mainly related to commissions on the distribution of insurance products.

The liquidity position with banks increased by 21% compared to last year, despite the trend in the economic result, thanks to efficient liquidity management and the monitoring of customer deposits.

There is also a positive decrease in the advances paid to financial advisors from 159 to 148 thousand euros, as evidenced by the timely verification of the benefits granted to the distribution network.

On the liabilities side, there was an increase in shareholders' equity, despite the negative result for the period, which was covered by the share capital increase completed at the beginning of 2023.

Balance Sheet

ASSETS	2022	Dec-23	Change	% change
Cash and cash equivalents	352,172	426,448	74,276	21%
Financial assets held for sale	0	0	0	0%
Receivables	2,383,387	3,024,692	641,305	27%
Receivables from banks	*-*	*-*	*-*	*na*
Trade receivables	*2,224,269*	*2,876,938*	*652,669*	*29%*
Receivables from financial advisors	*159,118*	*147,754*	*(11,365)*	*-7%*
Fixed assets	977,299	718,123	(259,176)	-27%
of which tangible	*877,136*	*629,566*	*(247,570)*	*-28%*
of which intangible	*100,163*	*88,557*	*(11,607)*	*-12%*
Tax assets	893,983	892,461	(1,522)	0%
Current	*79,442*	*78,915*	*(527)*	*-1%*
Prepaid	*814,541*	*813,546*	*(995)*	*0%*
Other assets	615,297	744,318	129,021	21%
TOTAL ASSETS	5,222,137	5,806,041	583,904	11%

LIABILITIES	2022	Dec-23	Change	% change
Capital	2,006,240	2,234,264	228,024	11%
Share premium reserve	804,904	601,707	(203,197)	-25%
Reserves	212,790	212,790	0	0%
Valuation reserves	(14,402)	(11,252)	3,150	22%
Profit (loss) for the year	(796,059)	(260,922)	535,137	67%
Shareholders' Equity	**2,213,473**	**2,776,587**	**563,114**	**25%**
Payables	1,513,171	1,509,587	(3,584)	0%
of which to Financial Advisors	*631,694*	855,334	*223,640*	*35%*
of which Financial liabilities measured at amortized cost	*877,057*	651,162	*(225,894)*	*-26%*
of which to financial institutions	*4,420*	3,091	*(1,329)*	*-30%*
Current tax payables	*0*	0	*0*	
Tax liabilities	2,661	2,661	0	0%
Other liabilities	1,322,789	1,361,625	38,836	3%
TFR	170,043	155,580	(14,463)	-9%
Total payables	**3,008,664**	**3,029,454**	**20,789**	**1%**
TOTAL LIABILITIES AND SE	5,222,137	5,806,041	583,904	11%

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

Pursuant to European Directive 2019/2034 and Regulation 2019/2033 on Investment Firms, the Company belongs to class 2. As a result, it must hold a minimum level of own funds equal to the greater of the following:

- minimum capital requirement (in our case equal to EUR 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 EUR 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 EUR 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.

March 2023 saw the completion of the share capital increase transaction, which had been resolved at the end of 2022 in order to strengthen capital and cover the loss that had previously been incurred. The transaction brought more than EUR 800,000 into the company's coffers, allowing the company to continue with its usual operations.

On 30 January 2024, the Board of Directors approved the 2024-2026 Business Plan, which outlines the business strategy of SCM Sim for the three-year period.

This plan entails the achievement of the following objectives:

➢ Consolidation of the sales network with the development of existing resources and definition of the organisational model in the territory.

➢ Overcoming the distinction between insurance and financial networks.

➢ Enhancement of the Corporate Division.

➢ Development of new partnerships with insurance companies.

➢ Sustainable growth of assets over the three-year period.

➢ Enlarging the share of wallet of the customer base.

➢ Enhancement of the commercial offer.

➢ Request authorisation for new activities to offer additional services to customers.

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, as mentioned above, the project to acquire new advisors through an insurance intermediary was realised.

CONSOLIDATION OF THE SALES NETWORK

The consolidation of the distribution network will continue in 2024.

In August 2023, SCM signed an agreement with A1 Life S.p.A. for the referral of professionals interested in signing cooperation agreements to distribute insurance products on behalf of SCM.
The transaction, which was part of the actions planned in the strategic planning phase, is having a major impact on the distribution network, which can count on around 60 new highly experienced and professional advisors.
The company believes that the expansion of the sales force can make a positive contribution to the company's results in the medium term, following a significant increase in the commission base, supported by a slight increase in structural costs. The company aims to transform a portion of these resources into financial advisors with agency mandates, cultivating skills that lead to a comprehensive customer service approach, thereby enhancing the quality of service offered. Also of interest could be the impact resulting from the referral to the company of current customers interested in expanding the offer to financial services.

MANAGEMENT OF INSURANCE COMPANIES FUNDS

The company, as already developed for other companies, will sign agreements for the management of the underlying funds of the insurance products distributed by its network.

DEVELOPMENT OF THE CORPORATE DIVISION

The company has developed strong in-house commercial expertise to offer advice in the area of the sale of tax receivables.
This activity, in addition to guaranteeing further commission flows in the coming years, made it possible in some cases to develop corporate and retail customers for the proposition of the company's traditional services.
In addition, in 2023, a series of initiatives were launched to facilitate 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 REVIEW

The company has decided, innovating compared to the past, to experiment with a new form of retrocession to the sales network
for the network of financial advisors, starting from the second half of 2023, with the aim of motivating the most deserving
resources.
In the past, there was a fixed basic rate and bonuses, which were linked to exceeding certain turnover thresholds.
The new version, effective from 1 July 2023, provides for the classification of advisors into segments differentiated according to the level of turnover recorded in the previous period, which correspond to increasing commission rates; in this way, it is expected to encourage individuals to increase their commission base to "conquer" the highest commission level.
A further innovation in the retrocession system concerns the remuneration of managers, following the entry of the latest insurance advisors into the distribution network. In particular, a form of variable remuneration of managers linked to the development of employees' turnover is being defined, which favours the development of new business over recurring business.
In addition, two management levels were implemented with the aim of defining responsibilities and tasks.
In this scenario, the key drivers for development are the recruitment of talent and the enhancement of the commercial skills of existing advisors, with the former being a responsibility of top-level management, while the latter is assigned to mid-level managers.
In the next three years, the local presence will be developed, with the opening of additional offices in high-potential unserved areas, which are currently being defined.

CONVERSION OF LOW-PROFITABILITY ASSET

The conversion of low-profitability assets remains one of the important objectives to be pursued, since almost one-third of the company's assets, resulting from the acquisition of the ex-Pramerica advisors, have limited profitability.
During 2023, following the events surrounding the company
Eurovita, this activity was only resumed at the end of the year.

TRAINING INVESTMENTS

Training is one of the fundamental pillars for a company's competitiveness.
In 2024, three distinct routes were established, each with its own primary objectives:
1. The first is focused on developing and refining technical knowledge, with the support of university-level lecturers;
2. the second is aimed at developing the consultant's interpersonal skills, with the support of leading training companies;
3. the third route is aimed at creating pension experts, so that customers can get a clear picture of their pension provision and can consider the use of pension instruments.
These main streams are complemented by the training programmes of the insurance companies whose services are distributed by SIM and the in-house classroom and field training programmes, guided by SCM's management structure.
To complement the programme, the Investment Area organises monthly webinars to provide an insight into the markets and the consequent actions implemented on portfolios.
Every month, as has been the case for a few years now, a webinar is held
to give an insight into the main economic indicators, in order to always have a view of the socio-economic context to convey to the customer.

DIGITISATION

The evolution of services and the connection to various insurance companies necessitated the evolution of the position keeping system, a function now performed

by Guardian.
In the coming months, development will continue on software that allows the analysis of family and asset situations, with an interface that allows for a single position/view of the customer.
In other words, the route will be to supplement customer analysis, today limited to the MiFID questionnaire, with the related insurance and financial position, in order to have an easy-to-read summary dashboard.

The second step in this process will be the clustering of customers by needs and requirements, in order to be much more efficient in proposing suitable instruments for solving problems or mitigating customer risks.

MARKETING INVESTMENTS

Two areas will be planned and implemented:
- web area, which is still partially used today, due to the absence of a specialist and the limited response received from web agencies with which SIM has worked. A number of solutions integrating the first releases of Artificial Intelligence in customer interaction are being evaluated, which may serve to interest the visitor and push them to learn more about topics such as succession planning, market risk assessment, etc;
- local marketing area, *i.e.*, local meetings with customers, segmented according to specific topics. A plan for the development of these meetings will be drawn up in order to enable local managers to organise events in a targeted manner.

CONCLUSIONS

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.

In the “Base” scenario, the plan envisages a return to break-even as early as the first year in which a return to profit will be made after the loss recorded in recent years.
The worst-case scenario is based on more conservative assumptions, which, however, would allow for a positive economic result as early as the second year of the plan.
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 2023 the company had the following workforce:

- 3 employees with the qualification of office workers;
- 6 employees with the qualification of middle managers;
- 3 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 2023, the Company did not carry out research and development activities.

Significant events after the end of the year and business outlook

In the first months of 2024, the performance of the financial markets in the first part of the year was positive, continuing the dynamics of the end of last year.
The continuation of this situation could lead to a recovery in performance commissions, which would have a positive impact on the Company's fundamentals; as it is not possible to make forecasts at the moment, it is somewhat difficult to assess the impact, given the many variables that may affect it.
From a business perspective, the significant influx of insurance consultants in 2023 was the most noteworthy development, representing a crucial factor for future profitability.
This action is, in fact, significant as a contribution to the company's income statement, as it not only increases recurring revenues, but also provides a prospect of revenues from other services, as a result of the cross-selling actions that the company will be able to implement.
In the first months of 2024, there was an increase in commissions on insurance products generated by the new sales force. The activity of the new advisors in the first 5 months focused, in particular, on the products of the insurance company Nobis, but new agreements were signed with Sara Assicurazioni, Vittoria Assicurazioni, CNP and, most recently, Dual, which helped to considerably extend the range of products that can be distributed by the company.
Furthermore, during the initial months of 2024, advisory services for referral customers interested in tax credit transfer transactions persisted.
The economic contribution of these transactions, already visible from the first quarter, is estimated to be significant until the end of the year.
In addition to the revenues from these transactions, their importance derives from the possibility of also providing the company's "core" services to the companies concerned.

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 30 January 2024.

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 EUR 260,922 by using the item "Share premium reserve" for the same amount.

Milan, 26 March 2024

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 EUR 2,634,264, subscribed and paid-up EUR 2,234,264

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 2023

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 Statutory Auditor
Luca Savino	Alternate Statutory Auditor

Auditing Firm

Crowe Bompani S.p.A.

FINANCIAL STATEMENTS

BALANCE SHEET

Values in units of Euro

ASSET ITEMS	31/12/2023	31/12/2022
10. Cash and cash equivalents	426,448	352,172
20. Financial assets measured at fair value through income statement	-	-
a) financial assets held for trading	-	-
40. Financial assets measured at amortized cost	3,024,692	2,383,387
a) receivables from banks	-	-
c) trade receivables	3,024,692	2,383,387
80. Tangible assets	629,566	877,136
90. Intangible assets	88,557	100,163
100. Tax assets	892,461	893,983
a) current	78,915	79,442
b) prepaid	813,546	814,541
120. Other assets	744,318	615,296
TOTAL ASSETS	5,806,041	5,222,136

LIABILITY AND SHAREHOLDERS' EQUITY ITEMS	31/12/2023	31/12/2022
10. Financial liabilities measured at amortized cost	1,509,587	1,513,171
a) payables	1,509,587	1,513,171
60. Tax liabilities	2,661	2,661
a) current	-	-
b) deferred	2,661	2,661
80. Other liabilities	1,361,626	1,322,788
90. Employee severance indemnities	155,580	170,043
110. Capital	2,234,264	2,006,240
140. Share premium reserve	601,707	804,904
150. Reserves	212,790	212,790
160. Valuation reserves	(11,252)	(14,402)
170. Profit (loss) for the year	(260,922)	(796,059)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,806,041	5,222,136

INCOME STATEMENT

ITEMS	31/12/2023	31/12/2022
10. Net trading profit (loss)	-	-
30. Gains (losses) on disposal or repurchase of:	-	(881)
a) financial assets measured at amortized cost	-	(881)
50. Fee and commission income	7,770,101	6,227,856
60. Fee and commission expense	(3,745,586)	(2,550,896)
70. Interest income and similar revenues	1,690	294
80. Interest expense and similar charges	(38,336)	(48,288)
90. Dividends and similar income	-	-
110. BROKERAGE MARGIN	3,987,869	3,628,086
120. Net value adjustments/write-backs for credit risk of:	(58,950)	(116,776)
a) financial assets measured at amortized cost	(58,950)	(116,776)
130. NET PROFIT (LOSS) FROM FINANCIAL OPERATIONS	3,928,919	3,511,310
140. Administrative expenses:	(3,891,482)	(4,011,039)
a) personnel expenses	(1,765,620)	(1,805,608)
b) other administrative expenses	(2,125,862)	(2,205,431)
160. Net value adjustments/write-backs on tangible assets	(273,727)	(290,662)
170. Net value adjustments/write-backs on intangible assets	(41,607)	(52,515)
180. Other operating income and expenses	16,141	39,989
190. OPERATING COSTS	(4,190,675)	(4,314,227)
240. PRE-TAX PROFIT (LOSS) FROM CURRENT ASSETS	(261,756)	(802,917)
250. Income taxes for the year on current operations	834	6,858
260. PROFIT (LOSS) AFTER TAXES FROM CURRENT ASSETS	(260,922)	(796,059)
280. PROFIT (LOSS) FOR THE YEAR	(260,922)	(796,059)

STATEMENT OF COMPREHENSIVE INCOME

Items	31/12/2023	31/12/2022
10. Profit (loss) for the year	(260,922)	(796,059)
Other income components net of taxes without reversal to the income statement		
70. Defined benefit plans	3,150	40,478
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	3,150	40,478
180. Comprehensive income (Item 10 + 170)	(257,772)	(755,581)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Year 2023	Balance as at 31.12.2022	Change in opening balances	Balance as at 01.01.2023	Allocation of previous year's result		Changes for the year						Comprehensive income 31.12.2023	Shareholders' Equity as at 31.12.2023
							Shareholders' equity transactions						
				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				228,024						2,234,264
Share premium account	804,904		804,904	(796,059)			592,862						601,707
Reserves of													
a) profits	204,364		204,364										204,364
b) others	8,426		8,426										8,426
Valuation reserves	(14,402)		(14,402)									3,150	(11,252)
Equity instruments													
Treasury shares													
Profit (loss) for the year	(796,059)		(796,059)	796,059								(260,922)	(260,922)
Shareholders' Equity	**2,213,473**		**2,213,473**	-			820,886					**(257,772)**	**2,776,587**

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
							Shareholders' equity transactions						
				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**	-	-	-	-	-	_	-		**(755,581)**	**2,213,473**

STATEMENT OF CASH FLOWS	31/12/2023	31/12/2022
Direct method		
A. OPERATING ACTIVITIES		
1. Management	113,363	(342,965)
interest income collected	1,690	
interest expense paid	(38,336)	(47,994)
dividends and similar income		
net fee and commission income	4,024,515	3,676,960
personnel expenses	(1,765,620)	(1,805,608)
other costs	(2,245,622)	(2,288,040)
other revenues	135,902	121,717
taxes and duties	834	
costs/revenues relating to groups of assets held for sale and net of the tax effect		
2. Cash flow generated/absorbed by financial assets	(818,544)	61,779
financial assets held for trading		
other financial assets at fair value		
assets mandatorily measured at fair value		
financial assets measured at fair value through other comprehensive income		
financial assets measured at amortized cost	(641,305)	
other assets	(177,239)	61,779
3. Cash flow generated/absorbed by financial liabilities	(8,639)	67,776
financial liabilities measured at amortized cost		
financial liabilities held for trading		
financial liabilities designated at fair value		
other liabilities	(8,639)	67,776
Net cash flow generated/absorbed by operating activities	(713,821)	(213,410)
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	32,790	33,418
purchases of equity investments		
purchases of tangible assets	2,790	4,543
purchases of intangible assets	30,000	28,875
purchases of business units		
Net cash flow generated/absorbed by investment activities	(32,790)	(33,418)
C. FUNDING ACTIVITIES		
issues/purchases of treasury shares		
issues/purchases of equity instruments	820,886	
dividend distribution and other purposes		
Net cash flow generated/absorbed by funding activities	820,886	-
NET CASH FLOW GENERATED/ABSORBED DURING THE YEAR	74,276	(246,828)
RECONCILIATION		
Cash and cash equivalents at the beginning of the year	352,172	599,000
Total net cash flow generated/absorbed during the year	74,276	(246,828)
Cash and cash equivalents: effect of changes in exchange rates		
Cash and cash equivalents at the end of the year	**426,448**	**352,172**

Explanatory Notes to the Financial Statements as at 31/12/2023

INTRODUCTION

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 Measure 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 Notes to the financial statements 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 2023, 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 2023 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 Measure of 17 November 2022 for the preparation of the financial statements of IFRS intermediaries other than banking intermediaries. 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 2023 are compared with the financial statements as at 31 December 2022.

The Financial Statements of Solutions Capital Management SIM S.p.A. (hereinafter also referred to as "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

There are no significant events with an impact on the 2023 financial statements.

With regard to significant events that took place in 2024 and had no impact on the financial statements for the year 2023, 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 income statement

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) Assessment 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) Assessment 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) Assessment 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 recognising 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%
- Furnishing 15%
- Electronic office equipment 20%
- General installations 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) Assessment 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 recognising 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) Assessment 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 recognising 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) Assessment 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 No. 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.

Standards and amendments mandatorily in force since 01 January 2023

IFRS	Summary
IFRS 17 Insurance contracts	IFRS 17 introduces a uniform valuation model for insurance contracts. Prior to IFRS 17 there were many discrepancies globally relating to the accounting for (and disclosure of) insurance contracts, with IFRS 4 enabling many earlier (non-IFRS) accounting standards to be applied. IFRS 17 will result in significant changes for many insurers, necessitating adjustments to current systems and processes. The new standard considers that insurance contracts combine the characteristics of a financial instrument with those of a service contract, and that many generate cash flows that vary substantially over time. The new standard therefore follows the approach of: • Combining current measurement of the future cash flows with the recognition of profit over the period that services are provided under the contract • Presenting insurance service results (including presentation of insurance revenue) separately from insurance finance income or expenses; and • Requiring an entity to make an accounting policy choice of whether to recognise all insurance finance income or expenses in profit or loss or to recognise some of that income or expenses in other comprehensive income. Following the publication of IFRS 17, amendments were made to the standard and the effective dates were postponed.

Disclosure of accounting policies (Amendment to IAS 1 and IFRS Practice Statement 2)	In February 2021, the IASB published amendments to IAS 1, which change the disclosure requirements for accounting policies from "significant accounting policies" to "disclosure of material accounting policies". The amendments provide guidance on when accounting standard information is likely to be considered material. The amendments to IAS 1 are effective for financial statements for financial years beginning on or after 1 January 2023, allowing for early application. Since IFRS Practice Statements are non-mandatory guidance, no mandatory effective date has been specified for the amendments to IFRS Practice Statement 2.
Definition of accounting estimates (Amendment to IAS 8)	In February 2021, the IASB published amendments to IAS 8, which added the definition of Accounting estimates in IAS 8. The amendments also clarified that the effects of a change in an input or valuation technique are changes in accounting estimates, unless they result from the correction of errors from previous years.
Deferred Tax related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)	In May 2021, the IASB published amendments to IAS 12, which clarify whether the exemption from initial recognition applies to certain transactions involving the simultaneous recognition of an asset and a liability (e.g., a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the exemption from initial recognition under IAS 12.15, according to which the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.
International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)	In December 2021, the Organisation for Economic Cooperation and Development (OECD) published Tax Challenges Arising from the Digitalisation of the Economy - Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS (Pillar Two model rules). In March 2022, the OECD published comments and illustrative examples elaborating on the application and functioning of the rules and clarifying certain terms. Stakeholders expressed concern to the IASB about the potential implications on income tax accounting, in particular with regard to deferred taxes, arising from the Pillar Two rules. Stakeholders emphasised the urgent need for clarity given the impending enactment in some jurisdictions of tax laws to implement the rules. In response to these concerns, the IASB has proposed amendments to IAS 12 Income Taxes. It published the Exposure Draft International Tax Reform - Pillar Two Model Rules (proposed amendments to IAS 12) on 9 January 2023. Given the urgent need for clarity, a shorter comment period of 60 days was provided. The IASB issued the final amendments (the Amendments) International Tax Reform - Pillar Two Model Rules on 23 May 2023. The amendments introduce a temporary exception for entities to the recognition and disclosure of deferred tax assets and liabilities related to the Pillar Two rules. The amendments also provide for additional disclosure requirements in relation to the entity's exposure to Pillar Two income taxes.

Standards and amendments mandatorily in force since 01 January 2024

IFRS	Summary
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	On 25 May 2023, the IASB issued Supplier Finance Arrangements amending IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments). These Amendments came about as a result of a request received from the IFRIC concerning the requirements for the presentation of liabilities and related cash flows arising from supply chain financing arrangements (hereinafter referred to as "supplier finance arrangements" or "reverse factoring") and related disclosures. In December 2020, the IFRIC had published an Agenda decision - Supply Chain Financing Arrangements-Reverse Factoring - which responded to this request on the basis of the IFRS provisions in force at the time. During this process, various stakeholders indicated limitations due to the then existing requirements to respond to the important information needs of users to understand the effects of reverse factoring on an entity's financial statements and to compare one entity with another. In response to this feedback, the IASB adopted a draft limited amendment of the standards, which led to the Amendments. The Amendments require entities to provide certain specific (qualitative and quantitative) information on supplier finance arrangements. The Amendments also provide guidance on the characteristics of supplier finance arrangements.
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	The IFRS Interpretations Committee published an agenda decision - Sale and leaseback with Variable Payments - in June 2020. The matter was referred to the IASB for standard setting on certain aspects. The IASB approved the final amendments in September 2022. The Amendments require the seller-lessee to determine the "lease payments" or "revised lease payments" in such a way that no amount of profit or loss relating to the right of use retained by the seller-lessee is recognised.

Classification of Liabilities as Current or non-Current (Amendments to IAS 1)	In January 2020, the IASB published amendments to IAS 1 - Classification of Liabilities as Current or Non-Current, which were further amended with the Amendments - Non-Current Liabilities with Covenants, which were published in October 2022. The Amendments require that an entity's right to defer settlement of a liability for at least twelve months after the financial year has substance and exists at the end of the reporting period. The classification of a liability is not affected by the probability that the entity will exercise its right to defer its settlement for at least twelve months after the financial year. As a result of the COVID-19 pandemic, the Board postponed the effective date of the Amendments by one year to financial years beginning on or after 1 January 2024.
Amendment - Non-current Liabilities with Covenants (Amendment to IAS 1)	Following the publication of the Amendments to IAS 1 - Classification of Liabilities as Current or Non-current, the IASB further amended IAS 1 in October 2022. An entity's right to deferral is contingent upon meeting specific conditions. These conditions determine the existence of that right at the end of the reporting period if the entity must comply with them on or before the end of that period, but not if compliance is required after the reporting period. The Amendments also clarify the meaning of "extinguishment" for the purposes of classifying a liability between current and non-current.

Standards and amendments mandatorily in force since 01 January 2025

Lack of Exchangeability (Amendments to IAS 21)	On 15 August 2023, the IASB published "Lack of Exchangeability", amending IAS 21 - The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments follow a request submitted to the IFRS Interpretations Committee (the Committee) concerning the determination of the exchange rate when a currency is not convertible into another currency, which had led to various practices. The Committee recommended that the IASB develop limited amendments to IAS 21 to address this problem. After further deliberations, the IASB published an Exposure Draft of the proposed amendments to IAS 21 in April 2021, and the Final Amendments were published in August 2023. The Amendments introduce requirements to determine when a currency is convertible into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it determines that one currency is not convertible into another.

A.3 INFORMATION ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

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

A.3.3 – DISCLOSURE ON THE SO CALLED "DAY ONE PROFIT/LOSS"

The Company had no "day one profit/loss" on financial assets/liabilities during the financial year.

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 considered that the book value is an adequate approximation of fair value, which entails classification in level 3 of the hierarchy. The same approach is followed for ***receivables from customers***, which are usually represented by 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 disclosure

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	2023				2022			
	Book value	Level 1	Level 2	Level 3	Book value	Level 1	Level 2	Level 3
1. Financial assets measured at amortized cost	3,024,692			3,024,692	2,383,387			2,383,387
2. Tangible assets held for investment purposes								
3. Non-current assets and groups of assets held for sale								
Total	**3,024,692**			**3,024,692**	**2,383,387**			**2,383,387**
1. Financial liabilities measured at amortized cost	1,509,587			1,509,587	1,513,171			1,513,171
2. Liabilities associated with assets held for sale								
Total	**1,509,587**			**1,509,587**	**1,513,171**			**1,513,171**

PART B - INFORMATION ON THE BALANCE SHEET - ASSETS

Section 1 - Cash and cash equivalents - Item 10 426,448

Breakdown of item 10 "Cash and cash equivalents"

Description	2023	2022
Cash	483	304
Cash and cash equivalents	425,965	351,868
Total	**426,448**	**352,172**

Cash and cash equivalents only include current accounts held with the following banks:

- Monte dei Paschi di Siena;
- UBS;
- Mediobanca;
- Banca Finnat;
- Banca Popolare di Verona

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.

Section 4 - Financial assets measured at amortized cost - Item 40 3,024,692

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

Breakdown	2023						2022					
	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	**2,876,938**					**2,876,938**	**2,224,269**					**2,224,269**
1.1 Receivables for services	**2,876,938**					**2,876,938**	**2,224,269**					**2,224,269**
- for management	378,937					378,937	205,934					205,934
- for investment advisory	197,220					197,220	98,903					98,903
- for other services	2,300,780					2,300,780	1,919,432					1,919,432
1.2 Repos												
- of which on government bonds												
- of which on other debt securities												
- of which on equity securities												
1.3 Other Financing												
2. Debt securities												
2.1 Structured Securities												
2.2 Other Debt Securities												
Total	**2,876,938**					**2,876,938**	**2,224,269**					**2,224,269**

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.

4.5 Financial assets measured at amortized cost:

Receivables from financial advisors

Description	2023	2022
Advances on fees	147,754	159,118
Total	**147,754**	**159,118**

In 2023, advances paid to financial advisors were down by around 12% compared to the previous financial year.

Section 8 - Tangible assets - Item 80 629,566

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

Description	2023	2022
1. Owned assets	**43,171**	**56,806**
a) land		
b) buildings		
c) furniture	18,214	29,224
d) electronic systems	17,781	16,166
e) others	7,176	11,416
2. Rights of use acquired through lease	**586,395**	**820,329**
a) land		
b) buildings	546,213	729,826
c) furniture		
d) electronic systems		
e) others	40,182	90,503
Total	**629,566**	**877,136**

8.5 Tangible assets for functional use: annual changes

	Land	Buildings	Furniture	Electronic systems	Others	Total
A. Gross initial inventories	**-**	**1,553,607**	**273,809**	**123,655**	**321,842**	**2,272,913**
A.1 Total net impairment losses	-	823,781	244,585	107,489	219,922	1,395,777
A.2 Net opening balance	**-**	**729,826**	**29,224**	**16,166**	**101,920**	**877,136**
B. Increases						
B.1 Purchases			2,277	5,051		**7,328**
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		22,143				**22,143**
C. Decreases						
C.1 Sales			3,314			**3,314**
C.2 Amortization		205,756	9,973	3,436	54,562	**273,727**
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						
D. Net Final inventories	**-**	**546,213**	**18,214**	**17,781**	**47,358**	**629,566**
D.1 Total net impairment losses	-	1,029,537	254,558	110,925	274,484	1,669,504
D.2 Gross closing balance	**-**	**1,575,750**	**272,772**	**128,706**	**321,842**	**2,299,070**
E. Valuation at cost	**-**	**546,213**	**18,214**	**17,781**	**47,358**	**629,566**

IFRS 16 Disclosures

Leases summary	2023
Right-of-use assets:	**586,395**
- Lease payable Offices	*546,213*
- Long-term car rentals	*40,182*
Financial payables as at 31/12/2023:	**651,162**
- Lease payable Offices	*608,303*
- Long-term car rentals	*42,859*
Depreciation	**256,077**
- Lease payable Offices	*205,756*
- Long-term car rentals	*50,321*
Interest expense	**38,271**
- Lease payable Offices	*34,707*
- Long-term car rentals	*3,564*

Contract no.	**1**
Contract type	Long-term rental
Asset type	BMW 3 Series vehicle
Initial book value of right of use (Euro)	29,517
no. of months of depreciation	36
Annual depreciation charge	9,839
annual accrued interest expense (Euro)	911
Principal portion paid during the year (Euro)	9,751
Residual financial debt as at 31/12/2023 (Euro)	12,893

Contract no.	**2**
Contract type	Long-term rental - Ended
Asset type	BMW X3 vehicle
Initial book value of right of use (Euro)	31,209
no. of months of depreciation	48
Annual depreciation charge	7,802
annual accrued interest expense (Euro)	265
Principal portion paid during the year (Euro)	8,405
Residual financial debt as at 31/12/2023 (Euro)	720

Contract no.	**3**
Contract type	Long-term rental
Asset type	BMW M340 vehicle
Initial book value of right of use (Euro)	40,794
no. of months of depreciation	48
Annual depreciation charge	10,199
annual accrued interest expense (Euro)	758
Principal portion paid during the year (Euro)	10,695
Residual financial debt as at 31/12/2023 (Euro)	9,330

Contract no.	**4**
Contract type	Long-term rental
Asset type	BMW X5 xDrive vehicle
Initial book value of right of use (Euro)	45,518
no. of months of depreciation	36
Annual depreciation charge	15,173
annual accrued interest expense (Euro)	1,107
Principal portion paid during the year (Euro)	15,613
Residual financial debt as at 31/12/2023 (Euro)	13,488

Contract no.	**5**
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
Annual depreciation charge	7,309
annual accrued interest expense (Euro)	523
Principal portion paid during the year (Euro)	7,370
Residual financial debt as at 31/12/2023 (Euro)	6,429

Contract no.	**6**
Contract type	Office rental
Asset type	Offices in Latina (LT)
Initial book value of right of use (Euro)	68,302
no. of months of depreciation	72
Annual depreciation charge	11,384
annual accrued interest expense (Euro)	1,027
Principal portion paid during the year (Euro)	12,173
Residual financial debt as at 31/12/2023 (Euro)	13,891

Contract no.	**7**
Contract type	Office rental
Asset type	Offices in Vicenza (VI)
Initial book value of right of use (Euro)	79,752
no. of months of depreciation	72
Annual depreciation charge	13,536
annual accrued interest expense (Euro)	1,494
Principal portion paid during the year (Euro)	15,305
Residual financial debt as at 31/12/2023 (Euro)	22,011

Contract no.	**8**
Contract type	Office rental
Asset type	Offices in Rome (RM) - Via Abbruzzi
Initial book value of right of use (Euro)	189,957
no. of months of depreciation	72
Annual depreciation charge	31,660
annual accrued interest expense (Euro)	4,137
Principal portion paid during the year (Euro)	34,185
Residual financial debt as at 31/12/2023 (Euro)	64,086

Contract no.	**9**
Contract type	Office rental
Asset type	Offices in Milan (MI) - Renewal
Initial book value of right of use (Euro)	748,624
no. of months of depreciation	72
Annual depreciation charge	130,060
annual accrued interest expense (Euro)	26,184
Principal portion paid during the year (Euro)	115,816
Residual financial debt as at 31/12/2023 (Euro)	483,481

Contract no.	**10**
Contract type	Office rental
Asset type	Offices in Bergamo
Initial book value of right of use (Euro)	67,423
no. of months of depreciation	60
Annual depreciation charge	13,960
annual accrued interest expense (Euro)	478
Principal portion paid during the year (Euro)	15,428
Residual financial debt as at 31/12/2023 (Euro)	0

Contract no.	**11**
Contract type	Office rental
Asset type	Offices - Piacenza
Initial book value of right of use (Euro)	30,936
no. of months of depreciation	96
Annual depreciation charge	5,156
annual accrued interest expense (Euro)	1,387
Principal portion paid during the year (Euro)	6,102
Residual financial debt as at 31/12/2023 (Euro)	24,834

Section 9 - Intangible assets - Item 90 88,557

9.1 Breakdown of "Intangible assets"

Description	2023		2022	
	Assets measured at cost	Assets measured at cost	Assets measured at cost	Assets measured at fair value
1. Goodwill				
2. Other intangible assets	**88,557**		**100,163**	
2.1 generated internally				
2.2 others	88,557		100,163	
Total	**88,557**		**100,163**	

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

9.2 "Intangible assets": annual changes

Description	Total
A. Opening balance	**100,163**
B. Increases	
B.1 Purchases	30,000
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	41,606
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. Final inventories	**88,557**

Section 10 - Tax assets and Tax liabilities 892,461

Item 100 of assets and Item 60 of liabilities

10.1 Breakdown of tax assets: current and deferred

Description	2023	2022
A. Current taxes		
IRES credit		1,361
IRAP tax down payment	-	500
IRAP credit from ACE	72,969	72,135
Regional Production Tax (IRAP) receivables	5,946	5,446
Total A	**78,915**	**79,442**
B. Prepaid taxes		
Balancing entry in the income statement	808,957	808,957
Balancing entry in shareholders' equity	4,589	5,584
Total B	**813,546**	**814,541**
Total A + B	**892,461**	**893,983**

The item includes the IRAP credit generated by the exceeding ACE that the company determined in compliance with Decree-Law No. 91/2014 and following the clarifications contained in Note 21/E of 3 June 2015 issued by the Inland Revenue Agency.

10.2 Breakdown of "Tax liabilities: current and deferred"

Description	2023	2022
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**

SCM
SOLUTIONS CAPITAL MANAGEMENT
società di intermediazione mobiliare

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

Description	2023	2022
1. Opening balance	**808,957**	**808,957**
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	**-**	**-**
3.1 Deferred tax assets cancelled during the year		
a) reversals		
b) write-downs due to irrecoverability		
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	2023	2022
1. Opening balance	**5,584**	**18,366**
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	**995**	**12,783**
3.1 Deferred tax assets cancelled during the year	995	12,783
a) reversals	995	12,783
b) write-downs due to irrecoverability		
c) due to changes in accounting policies		
d) others		
3.2 Reductions in tax rates		-
3.3 Other decreases		-
4. Final amount	**4,589**	**5,584**

Deferred tax assets on previous tax losses, amounting to EUR 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 30 January 2024.

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 2023		YEAR 2022		INCREASES 2023		RECOVERIES 2023	
	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	19,118		23,263	-		-	4,145	-
Total deductible temporary differences	**3,389,775**		**3,393,920**	**-**		**-**	**4,145**	**-**
Summary of deferred tax assets	IRES	IRAP	IRES	IRAP	IRES	IRAP	IRES	IRAP
Total deductible temporary differences	3,389,775		3,393,920	-		-	4,145	-
Total deferred tax assets	**813,546**		**814,541**	**-**		**-**	**995**	**-**

Taxable temporary differences	YEAR 2023		YEAR 2022		INCREASES 2023		RECOVERIES 2023	
	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 120 744,318

12.1 Breakdown of “Other assets”

Description	2023	2022
Advances to suppliers	80,787	67,684
Bonds receivable	28,569	28,569
Receivables for substitute tax on asset management	-	25,767
Tax Authorities - VAT	-	-
R&D credit	15,401	30,800
Receivables from social security institutions	-	-
Credit Notes to be issued	-	-
Invoices to be issued	25,830	8,400
Prepayments	278,140	300,590
Advance stamp duty	298,550	139,651
Other assets	17,041	13,835
Total	744,318	615,296

PART B – INFORMATION ON THE BALANCE SHEET LIABILITIES

Section 1 - Financial liabilities measured at amortised cost - Item 10 1,509,587

1.1 Breakdown of "Financial liabilities at amortized cost": "Payables"

1.1 PAYABLES	2023			2022		
	To banks	Towards financial companies	To customers	To banks	Towards financial companies	To customers
1. Loans						
1.1 Repurchase agreements						
1.2. Loans						
2. Lease payables			651,162			877,057
3. Other payables		3,091			4,420	
Total		**3,091**	**651,162**	**-**	**4,420**	**877,057**
Fair value - level 1						
Fair value - level 2						
Fair value - level 3		*3,091*	*651,162*		*4,420*	*877,057*
Total fair value		**3,091**	**651,162**	**-**	**4,420**	**877,057**

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	2023	2022
Invoices/credit notes received from advisors	256,693	205,886
Invoices/credit notes to be received by advisors	598,641	425,808
Total	**855,334**	**631,694**

Section 6 - Tax liabilities - Item 60 2,661

Please refer to section 10 of the assets.

Section 8 - Other liabilities - Item 80 1,361,626

8.1 Breakdown of "Other liabilities"

Description	2023	2022
Payables to employees and collaborators	58,000	7,000
Social security and welfare payables	118,201	151,902
Withholding taxes and surcharges	151,686	181,814
Stamp duty payables for quarterly reports	173,878	82,446
Payable for substitute management tax	3,533	-
Payables to suppliers	155,474	183,789
Payables to suppliers for invoices and notes to be received	330,031	163,207
Payables to Statutory Auditors for invoices to be received	41,600	40,000
Sundry payables	54,013	50,161
Accrued expenses and deferred personnel expenses	160,927	161,257
VAT payables	114,284	301,212
Total other liabilities	**1,361,626**	**1,322,788**

Most of the payables were paid off in the early months of 2024.

Section 9 - Employee severance indemnities - Item 90 155,580

9.1 "Employee severance indemnities": annual changes

Description	2023	2022
A. Opening balance	**170,043**	**197,649**
B. Increases	**26,881**	**28,934**
B.1 Provisions for the year	26,881	28,934
B.2 Other increases		-
C. Decreases	**41,344**	**56,539**
C.1 Settlements made	37,199	3,278
C.2 Other decreases	4,145	53,261
D. Final balances	**155,580**	**170,043**

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 2023 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 — 3,037,509

11.1 Breakdown of "Capital"

Types	2023	2022
1. Capital	**2,234,264**	**2,006,240**
1.1 Ordinary shares	2,234,264	2,006,240
1.2 Other shares	-	-

The subscribed and paid-up share capital as at 31 December 2023 is EUR 2,234,264, divided into 2,234,264 registered shares.

11.4 Breakdown of "Share premium reserve"

Types	2023	2022
Reserves - item 140	**601,707**	**804,904**
Share premium reserve	601,707	804,904

11.5 Other information

Types	2023	2022
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	**(11,252)**	**(14,402)**
Employee severance indemnity valuation reserve	(11,252)	(14,402)

PART C – INFORMATION ON THE INCOME STATEMENT

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

3.1 Breakdown of gains (losses) on disposal or repurchase

Items/income components	2023			2022		
	Profit	Loss	Net profit/loss	Profit	Loss	Net profit/loss
1. Financial assets						
1.1. Financial assets measured at amortized cost:					(881)	(881)
- from banks						
- from financial companies						
- from customers					(881)	(881)
1.2 Financial assets measured at fair value through profit or loss						
comprehensive income:						
- debt securities						
- loans						
Total					(881)	(881)
2. Financial liabilities measured at amortized cost						
2.1 Payables						
2.2 Outstanding securities						
Total					-	-
TOTAL					(881)	(881)

Section 5 - Fees - Items 50 and 60 4.024.515

5.1 Breakdown of "Fee and commission income"

Detail	2023	2022
1. Trading on own account		-
2. Execution of orders on behalf of customers		-
3. Placement and distribution	1,202,969	1,956,212
- of securities		
- of third-party services:	1,202,969	1,956,212
portfolio management		
collective management		
insurance products	*1,202,969*	*1,956,212*
others		-
4. Portfolio management	2,408,687	1,879,724
- own	2,408,687	1,879,724
- delegated to third parties		-
5. Receipt and transmission of orders		-
6. Investment advisory	1,081,217	833,140
7. Financial structure advisory	3,077,228	1,558,780
8. Management of multilateral trading facilities		-
9. Management of organized trading systems		-
10. Custody and administration		-
11. Currency trading		-
12. Other services		-
Total	**7,770,101**	**6,227,856**

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	2023	2022
1. Trading on own account		-
2. Execution of orders on behalf of customers		-
3. Placement and distribution	973,333	1,162,748
- of securities		
- of third-party services:	973,333	1,162,748
portfolio management		
others	*973,333*	*1,162,748*
4. Portfolio management	1,095,436	733,617
- own	*1,095,436*	*733,617*
- delegated to third parties		
5. Collection of orders		
6. Investment advisory	417,913	318,011
7. Custody and administration		
8. Other services	1,258,904	336,519
Total	**3,745,586**	**2,550,896**

Section 6 - Interest - Items 70 and 80 (36,646)

6.1 Breakdown of "interest income and similar revenues"

Items/Technical forms	Debt securities	Loans	Other transactions	2023	2022
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 with impact on comprehensive income					

3. Financial assets measured at amortized cost *3.1 Receivables from banks* *3.2 Receivables from financial companies* *3.3 Trade receivables*			1,690	1,690	294
4. Hedging					
5. Other assets					
6. Financial liabilities					
Total			**1,690**	**1,690**	**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	2023	2022
1. Financial liabilities measured at amortized cost					38,336	48,288
1.1. To banks					*65*	
1.2. Towards financial companies						
1.3. To customers					*38,271*	*48,288*
1.4. Outstanding securities						
2. Financial liabilities from trading						
3. Financial liabilities designated at fair value						
4. Other liabilities						
5. Hedging						
6. Financial assets						
Total	-	-	-		**38,336**	**48,288**
of which: interest on lease payables					*38,271*	*48,288*

Section 8 - Net value adjustments/write-backs for credit risk - Item 120 (58,950)

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				2023	2022
	First stage	Second stage	Third stage		Total		First stage	Second stage	Third stage	Impaired acquired or	Total	Total
			Write off	Others	Write off	Others						
1. Debt securities												
2. Loans												
3. Customers				(58,950)							(58,950)	(116,776)
Total				**(58,950)**							**(58,950)**	**(116,776)**

Section 9 - Administrative expenses - Item 140 3,891,482

9.1 Breakdown of "Personnel expenses"

Items/Sector	2023	2022
1. Employees	1,539,057	1,582,510
a) wages and salaries	1,090,091	1,103,724
b) social security charges	322,097	335,664
c) severance pay		
d) social security expenses	47,124	49,878
e) provision for employee severance indemnities	20,816	25,256
f) allocation to the provision for pensions and similar obligations:		
- defined contribution		
- defined benefit		
g) payments to external supplementary pension funds:	49,751	54,956
- defined contribution	*49,751*	*54,956*
- defined benefit		
h) other employee benefits	9,178	13,032
2. Other personnel in business		
3. Directors and Statutory Auditors	226,563	223,097
4. Retired Personnel		
5. Expense recoveries for employees seconded to other companies		
6. Reimbursement of expenses for employees seconded to the company		
Total	**1,765,620**	**1,805,608**

9.2 *Average number of employees broken down by category*

Category	No. of employees year end	Average No. of employees
Executives	3	2.17
Middle managers	6	7.62
Remaining personnel	3	3.69
Total	**12**	**13.48**

9.3 *Breakdown of "Other administrative expenses"*

Type	2023	2022
Rents and related expenses	74,259	60,533
Other expenses	53,939	54,834
Insurance	90,752	97,625
Stationery and printed materials	4,244	6,864
Administrative, tax and other services	502,469	571,904
Membership fees	55,101	42,433
Advisor contributions (Enasarco, Firr)	65,411	54,011
Legal formalities - taxes - fees - stamps	6,965	15,006
Training	32,701	21,000
Non-deductible VAT	154,803	174,560
Car rentals and expenses	46,509	64,561
Outsourcing	341,538	317,264
Risk Management and Internal Audit	64,320	51,927
Commercial expenses and Events	218,082	176,541
IT costs	152,260	149,384
Legal and notary expenses	138,903	226,705
Audit expenses	48,071	36,570
Utilities	30,890	39,353
Travel and transfers	44,645	44,357
Grand total	**2,125,862**	**2,205,431**

Section 11 - Net value adjustments/write-backs on tangible assets Item (273,727)

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

Items/Value adjustments and write-backs	YEAR 2023				YEAR 2022			
	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	**273,727**			**273,727**	**290,662**			**290,662**
- Owned	17,650			17,650	21,945			21,945
- Rights of use acquired through lease	256,077			256,077	268,717			268,717
2. Held for investment purposes								
- Owned								
- Rights of use acquired through lease								
Total	**273,727**			**273,727**	**290,662**			**290,662**

Section 12 – Net value adjustments/write-backs on intangible assets Item (41,607)

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

Items/Value adjustments and write-backs	2023				2022			
	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	**41,607**			**41,607**	**52,515**			**52,515**
2.1 owned	41,607			41,607	52,515			52,515
- generated								
- others	*41,607*			*41,607*	*52,515*			*52,515*
2.2 Rights of use acquired through								
Total	**41,607**			**41,607**	**52,515**			**52,515**

Section 13 - Other operating income and expenses - Item 180 16,141

13.1 Breakdown of “Other operating income and expenses”

Operating income	2023	2022
Charge-back of fees for use of spaces	32,000	22,000
Reimbursement of expenses	19,321	24,378
Other income	43,316	41,524
Charge-back for advisory services	41,264	33,815
Total	**135,901**	**121,717**

Operating expenses	2023	2022
Sanctions	20,995	23,688
Other charges	98,765	58,040
Total	**119,760**	**81,728**

Section 18 - Income taxes for the year on current operations - Item 250 834

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

Description	2023	2022
1. Current taxes	(7,829)	
2. Changes in current taxes of previous years		
3. Reduction in current taxes for the year	8,663	6,858
3bis. Reduction of current taxes e.g. for receivables Law No. 214/2012		
4. Change in deferred tax assets		
5. Change in deferred tax liabilities		
Taxes for the year	**834**	**6,858**

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	**(261,756)**		**1,827,439**	
Theoretical tax rate	24.00%	-	5.57%	
Non-deductible/non-taxable differences	150,760		(1,686,873)	
Taxable income for the reversal of temporary differences	**(110,996)**		**140,565**	
Taxable income	**(110,996)**		**140,565**	7,829
Transformation of ACE (Aid for Economic Growth) into IRAP credit				**(8,663)**
Actual tax burden in the financial statements				(834)
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	2023		2022	
	Own management	Delegated management	Own management	Delegated management
1. Debt securities	104,096,503		59,446,813	
of which: government bonds				
2. Equity securities	31,286,032		*26,045,841*	
3. UCITS units	108,904,009		103,674,886	
4. Derivative instruments				
- financial derivatives				
- credit derivatives				
5. Other assets	17,856,766		21,576,098	
6. Liabilities				
Total managed portfolios	**262,143,310**	**-**	**210,743,638**	**-**

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	-		-
A.2 Sales during the year	-		-

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

Description	2023	2022
Deposits for the year	67,561,144	77,690,387
Repayments during the year	26,727,402	45,971,173
Number of contracts	615	548

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 Article 41 of IVASS Regulation No. 5/2006.

In 2023, the company placed new insurance products with a total value of premiums of more than EUR 4 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 31.12.2023 was **239**.

The company gave a major boost to this activity with the entry of numerous insurance advisors during 2023, and entered into new 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 2023 was **86**.

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 2023 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 environment that may negatively affect profitability, or criminal acts or vandalism committed by parties outside the SIM, or harmful natural events ;
- contractual or extra-contractual **liability**;
  - **sustainability**: the possibility of being adversely affected by environmental issues including, for example, climate risk, both physical and transitional; social, such as labour and inequality; and governance including, the Board of Directors' composition and effectiveness, corruption or mis-selling practices.

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	426,448	-	-	70,684	1,480,962	654,302	818,744	-	-	-
A.1 Government bonds										
A.2 Other debt securities										
A.3 Loans										
A.4 Other assets	426,448			70,684	1,480,962	654,302	818,744			
Cash liabilities	-	-	3,091	-	916,779	61,486	119,268	332,291	76,672	-
B.1 Payables to										
- Banks										
- Advisors					855,334					
- Financial companies			3,091							
- Customers										
B.2 Debt securities										
B.3 Other liabilities					61,445	61,486	119,268	332,291	76,672	
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 5 years or with an indefinite duration.

LEGISLATION

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 EUR 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 31/12/2023, the investment company held cash and cash equivalents of EUR **324** thousand against a requirement of EUR **426** 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.

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.

In order to verify ongoing compliance with the capital limits set by the Supervisory Body, corporate procedures provide for the periodic monitoring of capital absorption for each individual type of risk.

With the aim of measuring 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	2023	2022
1. Capital	2,234,264	2,006,240
2. Share premium reserve	601,707	804,904
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	(11,252)	(14,402)
Measurement of employee severance indemnity IAS 19	*(11,252)*	*(14,402)*
6. Equity instruments		-
7. Profit (loss) for the year	(260,922)	(796,059)
Total	**2,776,587**	**2,213,473**

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	2023	2022
A. Common Equity Tier 1 (CET1) before the application of prudential filters	1,874,485	1,298,769
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)	1,874,485	1,298,769
D. Elements to be deducted from CET1		
E. Transitional regime - Impact on CET1 (+/-)		
F. Total Common Equity Tier 1 (CET1) (C - D +/- E)	**1,874,485**	**1,298,769**
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)	**1,874,485**	**1,298,769**

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:

- $\frac{\text{Capitale primario di classe 1}}{\text{Capitale minimo da detenere}}$ >= 56%
- $\frac{\text{Capitale primario di classe 1 + Capitale aggiuntivo di classe 1}}{\text{Capitale minimo da detenere}}$ >= 75%
- $\frac{\text{Capitale primario di classe 1 + Capitale aggiuntivo di classe 1 + capitale classe 2}}{\text{Capitale minimo da detenere}}$ >= 100%

	Requirement	Own funds	%	Surplus
Common Equity Tier 1 / D> = 56%	544,807	1,874,485	344%	1,329,677
Common Equity Tier 1 capital + Additional Tier 1 capital / D> = 75%	729,653	1,874,485	257%	1,144,832
Common Equity Tier 1 capital + Additional Tier 1 capital + Tier 2 capital / D> = 100%	972,871	1,874,485	193%	901,614

D = MINIMUM CAPITAL TO BE HELD

3.2.1.2 QUANTITATIVE INFORMATION

The SIMs of Category 2, as envisaged by Article 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 Article 11 of the IFD;
3. The requirement calculated according to the k-factor methodology.

Own funds requirements (pursuant to Article 11 of Reg. No. 2019/2033)	31/12/2023
Minimum capital requirement	750,000
Fixed overheads requirement	972,871
K factor requirement	131,304

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

SOLUTIONS CAPITAL MANAGEMENT
società di intermediazione mobiliare

SECTION 4 - STATEMENT OF COMPREHENSIVE INCOME

Items	2023	2022
10. Profit (loss) for the year	(260,922)	(796,059)
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	4,145	53,261
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	(995)	(12,783)
Other income components net of taxes with reversal to the income statement		
110. Foreign investment hedging		
120. Exchange rate differences		
130. Hedging of financial flows		
140. Hedging instruments		
150. Financial assets (other than equity securities) measured at fair value through other comprehensive income		
160. Non-current assets and groups of assets held for sale		
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	3,150	40,478
200. Comprehensive income (Item 10 + 170)	(257,772)	(755,581)

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

It should be noted that the fees indicated do not include VAT, social security contributions and reimbursement of expenses, and the variable component is not included.

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 2023 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	2,654,719	5,469,193	2,317,670
Investment advisory	-	406,858	0
Generic advisory	0	0	0

The table below shows the revenues for the year 2023 relating to related parties:

	Directors and Executives parent company	Directors and Executives	Other related parties
Individual portfolio management	19,540	31,671	14,126
Investment advisory	0	0	444
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 EUR 60 thousand.

SCM
SOLUTIONS CAPITAL MANAGEMENT
società di intermediazione mobiliare

SECTION 8 - OTHER INFORMATION

8.1 AVERAGE NUMBER OF FINANCIAL ADVISORS

The average number of financial advisors in 2023 was **27**.

8.2 OTHER

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

As at 31/12/2023, 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 of Article 2427 of the Italian Civil Code: use and distribution of equity items

SHAREHOLDERS' EQUITY	31/12/2023	Reserve of capital/profits	Possibility of use	Amount available	Use in the last three years
Share capital	2,234,264	---	---	---	
Share premium reserve	601,707	R. of capital	ABC	601,707	1,206,737
Profit from previous years	204,364	R. of profits	ABC	204,364	
FTA reserve	8,426				
Valuation reserve	(11,252)	R. of capital			
Net profit	(260,922)			(260,922)	
TOTAL	2,776,587			545,149	1,206,737
		Non-distributable portion		-	
		Available portion that can be distributed		545,149	

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.

SCM
SOLUTIONS CAPITAL MANAGEMENT
società di intermediazione mobiliare

Disclosure pursuant to Article 2427 of the Italian Civil Code and Article 37, paragraph 16, of Legislative Decree No. 39/2010

The following table shows the fees pertaining to 2023, 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, 26 March 2024

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