

27 March 2024

PRESS RELEASE

Ad hoc announcement pursuant to Art. 53 Listing Rules:

GAM announces 2023 full year results, proposal to strengthen the balance sheet and strategic progress

2023 financial results

- IFRS net loss after tax of CHF 82.1 million, compared to CHF 290.0 million in 2022. Underlying loss before tax of CHF 49.5 million, compared to CHF 42.5 million in 2022.
- Investment Management assets under management (AuM) at CHF 19.3 billion, compared to CHF 23.2 billion as of 31 December 2022.
- Strong investment performance: 78% of Investment Management AuM outperformed three-year benchmark, and 81% outperformed five-year benchmark as of 31 December 2023.

Proposal to strengthen the balance sheet - fully underwritten by anchor shareholder

- Rights issue for up to CHF 100 million, to provide enhanced long-term stability for GAM and support its growth strategy, will be proposed at the Annual General Meeting (AGM) on 15 May 2024. This will be fully underwritten by Rock Investment SAS, a group company of GAM's anchor shareholder.
- Other AGM proposals include the nomination of three experienced board candidates who will increase gender diversity as part of GAM's commitment to diversity, equity, and inclusion.

Strategic progress

Good progress has been made on the four strategic pillars to enable GAM to achieve sustainable growth and future profitability:

- **Clients:** New head of distribution in Japan; extending market reach with plan to open new sales branch in Paris; additional new sales hires in core markets, particularly in Europe and Australia; Singapore to become GAM's investment and distribution centre for Asia; a partnership with a Hong Kong financial institution to grow GAM's business in Greater China.
- **Amplification:** Positive flows into Global Rates strategy following creation of Investcorp-Tages partnership; senior hires in investment management; two Bruellan SA global equity funds will be managed by GAM's Global Equities team.
- **Diversification:** A number of new partnerships in the alternative space are under development, including expanding on GAM's alternatives and partnering with Avenue Capital on its Sports strategy. We are also building out GAM's hedge fund platform. Our late-stage private equity strategy, which received 2023 Emerging Fund of the Year in Australia, is being launched in Europe.
- **Effectiveness:** Sale of Fund Management Services was successfully completed on 31 January 2024; agreement reached with 1741 Group, a leading Swiss provider for third-party funds, to transfer Management Company Services for GAM's Swiss based funds and good progress made in negotiations with high quality, global firms regarding the transfer of Management Company Services for non-Swiss based GAM funds; transition to a single operating platform on track to be completed by the end of 2024 to ensure greater efficiency across GAM's global operations.

Elmar Zumbuehl, CEO GAM Investments said: “After a very challenging 2023, we have made good strategic progress. The fully underwritten rights issue will strengthen the balance sheet of the firm and provides enhanced long-term stability for the business and support for the implementation of our growth strategy. It also demonstrates our anchor shareholder’s unwavering long-term commitment to GAM. In 2024, we will continue to focus on our clients, innovation and maintaining our strong investment performance. I would like to thank our clients for their continued support and recognise the ongoing commitment of our anchor shareholder and my GAM colleagues.”

2023 Business update

Investment Management

AuM totalled CHF 19.3 billion as of 31 December 2023, compared with CHF 23.2 billion as of 31 December 2022. The average management fee margin slightly reduced from 51.0 basis points to approximately 50 basis points in 2023.

Over the three-year period to 31 December 2023, 78% of our AuM in funds outperformed their respective benchmark, compared to 55% as of 31 December 2022. Over the five-year period to 31 December 2023, 81% of our AuM in funds outperformed their respective benchmark, compared to 55% as of 31 December 2022.¹ As of 31 December 2023, 66% and 76% of GAM’s AuM tracked by Morningstar outperformed their respective peer groups over three and five years respectively, compared to 66% and 67% as of 31 December 2022, respectively.

GAM’s depth of investment talent and continuing strong investment performance was reflected in the many awards received by our investment teams during 2023. A double award from Citywire for investment performance complements a series of awards including the late-stage Private Equity strategy receiving Emerging Fund of the year in Australia from Financial News, and two strategies – Cat Bonds and Commodities – recognised in the Fund Selector Asia awards in Singapore. Giving our clients access to great investment talent is at the core of our strategy. During 2023, additional investment managers were appointed, including for the Luxury Brands and Credit Opportunities strategies.

Investment management assets, flows, assets under management movements (CHF bn), and average management fee margins (bps)

Asset Class	Opening AuM 1 Jan 2023	Net flows 2023	Reclassification 2023	Market/ FX 2023	Closing AuM 31 Dec 2023	Management fee margin 2023 (bps)
Fixed income	10.3	(2.3)	-	0.2	8.2	57.2
Multi asset	6.6	(0.9)	-	0.3	6.0	21.3
Equity	4.8	(1.0)	0.1	0.3	4.2	69.0
Alternatives	1.5	(0.5)	-	(0.1)	0.9	63.3
Total	23.2	(4.7)	0.1	0.7	19.3	49.7

¹ % of investment management AuM in funds outperforming their respective benchmark (excluding mandates and segregated accounts). Three and five-year investment performance as of 31 December 2023 based on applicable AuM of CHF 10.8bn for both periods.

Fund Management Services

The sale of our Fund Management Services business to Carne Group was successfully completed on 31 January 2024. AuM were CHF 44.5 billion as of 31 December 2023 for third-party funds, down from CHF 51.8 billion in 2022.

2023 Financial update

Net fee and commission income decreased by 21.7% to CHF 129.2 million compared with CHF 165.0 million in 2022. The decrease was primarily driven by lower net management fees and commissions because of lower average AuM and a slightly lower average management fee margin. This was partly offset by an increase to CHF 4.8 million from CHF 3.2 million in net underlying performance fees.

Underlying personnel expenses were CHF 96.8 million, down from CHF 113.7 million in 2022. This reflected the lower headcount, which at 478 FTEs was 12% lower than at the end of 2022. **IFRS personnel expenses** decreased to CHF 98.4 million in 2023 compared to CHF 115.5 million in 2022. The CHF 1.6 million difference between underlying and IFRS personnel expenses relates to reorganisation charges.

Underlying general expenses for 2023 of CHF 65.0 million were down on the CHF 75.8 million reported in 2022. **IFRS general expenses** for 2023 were CHF 71.3 million, down from CHF 81.1 million in 2022. The CHF 6.3 million difference between underlying and IFRS general expenses mainly relates to continuation of strategic initiatives in 2023.

The underlying operating margin for 2023 was negative 38.0% compared with negative 25.8% in 2022. The change was driven mainly by income declining proportionately more than costs. The underlying operating margin excludes certain non-core costs such as the brand impairment and strategic initiatives expenses.

The underlying loss before taxes was CHF 49.5 million, compared with an underlying loss of CHF 42.5 million in 2022. The loss was driven mainly by lower revenues reflecting lower assets under management. **The IFRS net loss before tax** was CHF 81.7 million down from CHF 266.2 million in 2022. The difference between the underlying and the IFRS net loss before tax mainly relates to the brand impairment and strategic initiatives expenses.

The underlying effective income tax for 2023 was a debit of CHF 0.3 million, representing an underlying effective tax rate of 0.6% compared to a tax credit rate of 8.2% in 2022. This compares to an **IFRS effective tax expense rate** of 0.5%. The difference between the underlying and the IFRS effective tax rate is primarily driven by the underlying loss before tax.

Diluted underlying earnings per share for 2023 were negative CHF 0.32, compared to a negative CHF 0.25 in 2022, driven by a higher underlying net loss. This compares to a **diluted IFRS earnings per share** of negative CHF 0.52. The difference between the diluted underlying and the diluted IFRS earnings per share is driven by the higher IFRS net loss after tax of CHF 82.1 million compared to an underlying net loss after tax of CHF 49.8 million.

The underlying loss after taxes for 2023 was CHF 49.8 million, compared with a CHF 39.0 million loss in 2022. The main driver for the loss was lower net fee and commission income reflecting lower assets under management. This compares to an IFRS net loss after tax of CHF 82.1 million. The CHF 32.3 million difference between the underlying and the IFRS net loss after tax mainly relates to the brand impairment and strategic initiatives expenses.

Cash and cash equivalents at the end of 2023 amounted to CHF 87.2 million, down from CHF 137.9 million at the end of 2022. This reduction was due to the losses made by the Group and due to the cash amounts related to the Carne transaction being classified as "held for sale", offset by the cash drawn-down from the Rock Investment SAS loan facility.

Adjusted tangible equity at the end of 2023 was CHF 11.5 million, compared with CHF 68.7 million at the end of 2022. The main contributor to this reduction was the IFRS net loss after tax of CHF 82.1 million, after excluding the brand impairment charge.

No dividend is proposed to be paid to shareholders by the Board of Directors recognising the underlying net loss in 2023.

A share buy-back programme was announced on 14 December 2023. The programme allowed the purchase of up to three million registered shares (1.88% of the shares in issue) to meet the Group's share-based employee payment obligations. The share buy-back took place from 15 December 2023 until 17 January 2024, and the offer price for each registered share was CHF 0.425. As of the end of the offer period on 17 January 2024, a total of 15,203,972 GAM shares were tendered. Due to the oversubscription, the declarations of acceptance were reduced on a pro rata basis. The payment of the share buy-back price against delivery of the registered shares took place with value date 19 January 2024.

Proposals for upcoming AGM

There will be a separate announcement on the proposed agenda for the upcoming AGM on 15 May 2024. Agenda items for shareholders to vote on are expected to include the following items:

A rights issue, fully underwritten by Rock Investment SAS ("Rock"), of up to CHF 100 million to effectively capitalise the Rock loan facility. This will be subject to the Swiss Takeover Board providing Rock with an exemption from the mandatory takeover requirements when crossing above the 33 1/3% share ownership threshold. As of 31 December 2023, CHF 36 million of the CHF 100 million Rock loan facility, which has a 30 June 2025 expiry date, was drawn down. The Group has no other external debt.

A proposal to create conditional share capital of up to 50% of the issued share capital to enable the issuance of shares to meet employee share scheme award obligations as part of employee participation plans when vesting.

The nomination of three new candidates for election to the board of directors who will increase gender diversity as part of GAM's commitment to diversity, equity, and inclusion. If all three new candidates are elected and the current four members re-elected, the board will comprise of three female members and four male members.

Strategic progress update

Good progress has been made on the four strategic pillars to enable GAM to achieve sustainable growth and future profitability. These four strategic pillars are:

- Focusing on **clients** in existing core markets;
- **Amplifying** and growing core active equity, fixed income and multi asset strategies by investing in talent and product ideas;
- **Diversifying** into new investment product areas and building a wealth management offering by leveraging GAM's heritage of active management and building strategic partnerships and GAM's alternatives and hedge funds platform;
- Enhancing **effectiveness** by reducing complexity to focus on GAM's investment management capabilities.

Focusing on clients in existing core markets

In Japan, a new head of distribution has been appointed, strengthening GAM's presence in this market. additional new sales hires in core markets, particularly in Europe and Australia, are planned to better

serve local clients and capture growth opportunities. GAM is also extending its market reach with a plan to establish a new sales branch in Paris.

In Asia, GAM is actively pursuing significant growth opportunities, with two key developments in advanced stages.

First, in Hong Kong, GAM is in advanced discussions to establish an alliance with a Hong Kong financial institution to grow GAM's business in Greater China. This partnership aims to leverage multi-asset production, wealth management, and product distribution, in Hong Kong and mainland China, while maintaining service to existing clients.

Second, Singapore is set to become a growth centre for GAM, alongside Hong Kong, Japan, and Australia, with investment and distribution staff moving to Singapore. Pending regulatory approval for an expanded licensing scope, GAM intends to establish Singapore as a strategic hub for Asia. This strategic move capitalises on Singapore's strong growth as a leading Asian wealth management and private banking destination, aligning perfectly with GAM's product and distribution expertise.

Amplifying and growing core active equity, fixed income and multi asset strategies by investing in talent and product ideas

GAM's strong investment performance is supporting and encouraging client activity and underscores our commitment to delivering alpha and meeting client objectives. Good progress has been made in our partnership with Investcorp-Tages, resulting in positive momentum and increased flows into our Global Rates strategy.

We are moving two global equity funds² currently managed by Bruellan SA to GAM, with CHF 84 million of AuM as at end of February 2024, to be managed by GAM's Global Equities team.

Diversifying into new investment product areas and building wealth management offering by leveraging GAM's heritage of active management and building strategic partnerships and GAM's alternatives and hedge funds platform

A number of new partnerships in the alternative space are under development, including expanding on GAM's alternatives and partnering with Avenue Capital on its Sports strategy. We are also building out GAM's hedge fund platform. Our late-stage private equity strategy, which received 2023 Emerging Fund of the Year in Australia, is being launched in Europe.

Enhancing effectiveness by reducing complexity to focus on GAM's investment management capabilities

GAM has made significant progress in optimising its operational structure to focus on core investment management capabilities and its clients. In line with this strategy, the sale of our FMS business for third-party funds to Carne Group was successfully completed on 31 January 2024.

GAM has reached agreement with 1741 Group, a leading Swiss provider, to transfer management company services for the GAM funds in Switzerland. Good progress has also been made in the negotiations with high quality, global firms on transferring management company services for the GAM funds in Luxembourg, Ireland and the UK, paving the way to a simplified, scalable and investment management focused operating model.

We will complete the transition to a single operating platform, which includes having all investment management activities on our new cloud-based Simcorp platform, by the end of 2024. This will ensure greater efficiency across our global operations.

² Protea – BAM Global Equities fund, and Bruellan Dynamic – Tactical fund

Materials relating to the full year results announcement, including the **2023 Annual Report**, are available at <https://www.gam.com>.

In addition, today GAM released its **2023 Sustainability Report** which is available at www.gam.com.

The Board of Directors has also decided to discontinue GAM's quarterly Interim Management Statements, hence the next financial update will be the half year results on 8 August 2024.

Upcoming events:

15 May 2024	Annual General Meeting
8 August 2024	Half year results 2024

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About GAM

GAM is an independent investment manager that is listed in Switzerland. Total assets under management were CHF 63.8 billion as of 31 December 2023, with Investment Management at CHF 19.3 billion and Fund Management Services at CHF 44.7 billion. As of 31 January 2024, Fund Management Services were successfully transferred to the Carne Group. GAM has global distribution with offices in 14 countries and is geographically diverse with clients in almost every continent. Headquartered in Zurich, GAM Investments was founded in 1983 and its registered office is at Hardstrasse 201 Zurich, 8037 Switzerland.

Disclaimer regarding forward-looking statements

This press release by GAM Holding AG ('the Company') includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations and projections about the Company's future results of operations, financial condition, liquidity, performance, prospects, strategies, opportunities, and the industry in which it operates. Forward-looking statements involve all matters that are not historical facts. The Company has tried to identify those forward-looking statements by using words such as 'may', 'will', 'would', 'should', 'expect', 'intend', 'estimate', 'anticipate', 'project', 'believe', 'seek', 'plan', 'predict', 'continue' and similar expressions. Such statements are made on the basis of assumptions and expectations which, although the Company believes them to be reasonable at this time, may prove to be erroneous.

These forward-looking statements are subject to risks, uncertainties, assumptions and other factors that could cause the Company's actual results of operations, financial condition, liquidity, performance, prospects or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. Important factors that could cause those differences include but are not limited to changing business or other market conditions, legislative, fiscal, and regulatory developments, general economic conditions, and the Company's ability to respond to trends in the financial services industry. Additional factors could cause actual results, performance, or achievements to differ materially. The Company expressly disclaims any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this press release and any change in the Company's expectations or any change in events, conditions, or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.

Key Figures 2023

Income statement	2023 CHF m	2022 CHF m	Change in %
Net management fees and commissions	124.4	161.8	(23)
Net performance fees	4.8	3.2	50
Net fee and commission income	129.2	165.0	(22)
Net other expenses	(0.4)	0.0	-
Income	128.8	165.0	(22)
Personnel expenses	96.8	113.7	(15)
Fixed personnel expenses	83.7	92.3	(9)
Variable personnel expenses	13.1	21.4	(39)
General expenses	65.0	75.8	(14)
Occupancy	4.0	4.5	(11)
Technology and communication	13.9	15.9	(13)
Data and research	18.3	21.2	(14)
Professional and consulting services	12.9	11.4	13
Marketing and travel	4.3	5.8	(26)
Administration	3.0	3.7	(19)
Other general expenses	8.6	13.3	(35)
Depreciation and amortisation	16.5	18.0	(8)
Expenses	178.3	207.5	(14)
Underlying loss before taxes	(49.5)	(42.5)	-
Underlying income tax credit	0.3	(3.5)	-
Underlying net loss	(49.8)	(39.0)	-
Acquisition-related items	(0.4)	0.3	-
Non-core items	(31.8)	(224.0)	-
Tax on acquisition-related items	0.0	0.0	-
Tax on non-core items	0.9	(0.1)	-
Non-core tax item	(1.0)	(27.2)	-
IFRS net loss	(82.1)	(290.0)	-
Operating margin (%) ¹	(38.0)	(25.8)	-
Compensation ratio (%) ²	74.9	68.9	9
Personnel at the end of the year (FTEs)	519	541	(4)

Client assets - investment management	2023 CHF bn	2022 CHF bn	Change in %
Assets under management at the end of the year ³	19.3	23.2	(17)
Average assets under management ^{3,4}	21.7	26.8	(19)
Net flows	(4.7)	(2.6)	-
Total fee margin (bps) ^{3,5}	51.9	52.2	(1)
Management fee margin (bps) ^{3,6}	49.7	51.0	(3)

Client assets - fund management services	2023 CHF bn	2022 CHF bn	Change in %
Assets under management at the end of the year	44.5	51.8	(14)
Average assets under management ⁴	46.9	58.6	(20)
Net flows	(7.8)	(6.0)	-
Management fee margin (bps) ⁶	3.5	4.3	(19)

Balance sheet	31.12.2023 CHF m	31.12.2022 CHF m	Change in %
Net cash	87.2	137.9	(37)
Assets	266.0	352.9	(25)
Equity	61.6	150.6	(59)
Adjusted tangible equity ⁷	11.5	68.7	(83)

Share information	2023	2022	Change in %
Number of registered shares at the end of the year	159'682'531	159'682'531	0
Share capital at the end of the year (CHF m)	8.0	8.0	0
Diluted underlying EPS (CHF) ⁸	(0.32)	(0.25)	-
Closing price at the end of the year (CHF)	0.39	0.94	(59)

1) (Net fee and commission income - expenses) / net fee and commission income.

2) Personnel expenses / net fee and commission income.

3) The method of presentation of the Group's AuM has been adjusted in 2022 and comparatives presented for prior periods have been adjusted on a consistent basis. For further details on changes in methodology see page 16 in the Annual Report 2022.

4) Average calculated with 13 month-end values (December to December).

5) Net fee and commission income / average assets under management.

6) Net management fees and commissions / average assets under management.

7) Equity excluding goodwill and other intangible assets as well as the financial liability relating to 40% of future GAM Systematic performance fees.

8) Underlying net profit / weighted average number of shares outstanding for diluted EPS. As a result of the underlying net loss reported for 2023, for the calculation of the diluted underlying EPS, the weighted average number of shares outstanding for diluted EPS equals the weighted average number of shares outstanding for basic EPS of 157.9 million.