

August 9, 2021

FOR IMMEDIATE RELEASE

Somers Limited reports record net income of \$262.7 million for the first nine months of the year

Somers Limited (“Somers” or “the Company”, BSX: SOM.BH), a financial services investment holding company, today announces that following the record net income of \$203.1 million for the first half of the year, the Company is pleased to report net income of \$59.6 million for the quarter ended June 30, 2021.

Net Asset Value (“NAV”) per share at the end of June was \$31.18, while shareholders’ equity was \$679.4 million, an increase of 60.9% from the start of the financial year. Total borrowings increased to \$92.7 million from \$76.0 million at September 30, 2020 but the gearing ratio remains modest at 13.6%.

Overview of the quarter ended June 30, 2021:

- Shareholders’ equity of \$679.4 million as at June 30, 2021 (September 30, 2020: \$422.1 million).
- Gearing ratio of 13.6% (September 30, 2020: 18.0%);
- Net income of \$59.6 million for the quarter (quarter ended June 30, 2020: \$39.7 million);
- A special one-off dividend of \$0.24 per share; and
- NAV per share of \$31.18 as at June 30, 2021 (September 30, 2020: \$19.78).

Investment highlights:

- Resimac Group Limited (“Resimac”), Somers largest investment, announced the settlement during the quarter of a A\$1 billion Residential Mortgage Backed Security (“RMBS”) transaction, with the AAA tranche issued at 85bps above the Australian Bank Bill Swap rate;
- Waverton Investment Management Group Limited (“Waverton”) reported assets under influence for the quarter of £11.5 billion;

- Somers acquired a 15% shareholding in the Aura Group, a Singapore headquartered alternative investment and wealth management platform and a 16.2% shareholding in WT Financial Group, an ASX listed wealth manager;
- Somers launched an on-market offer for Thorn Group Limited (“Thorn”) at a price of A\$0.21 per share. The offer closed on August 6, 2021 and Somers is now interested in 47.3% of Thorn; and
- Post the quarter end, Somers completed the sale of Bermuda Commercial Bank Limited.

Commenting on the financial results, Peter Durhager, Chairman of Somers said:

“Somers’ investments continue to perform well with strong operating performances and results. Somers’ net asset value per share has increased by 57.6% to \$31.18 since the start of the financial year we were able to record a profit of \$262.7 million for the first nine months of the year. These results have been principally driven by the growth in the share price of our largest investment, Resimac, but were assisted by improved results from a number of our other investee companies.

Following the completion of the sale of BCB we are pleased to announce a special dividend of \$0.24 per share to Somers shareholders. Since Somers major shareholders acquired a majority shareholding in BCB in 2010, shareholders in BCB who became shareholders in Somers in 2021 will have received income, including this special dividend, of \$5.00 per share which combined with significant share price appreciation over the last decade has, we believe, represented an attractive return.”

Summary of Somers' results for the quarter ended June 30, 2021

Introduction

Somers recorded net income of \$59.6 million (2020: \$39.7 million) in the quarter and the earnings per share was \$2.74 (2020: \$1.88). Somers' net asset value per share ended the quarter at \$31.18 (September 30, 2020: \$19.78).

During the quarter, Somers recorded a \$66.7 million gain on its investment portfolio (2020: \$21.4 million). The majority of the Company's investments increased in value during the quarter although the gain was driven principally by an increase in the value of the Company's holding of Resimac following a 13% increase in its share price during the quarter, and an 11% increase in the value of its holding in Waverton whose AuM and net income both improved over the quarter. In addition, there were valuation increases at Thorn Group Limited, MJ Hudson and AssetCo which offset a reduction in the value of PCF where Somers has marked down the value of its PCF holding to reflect that company's shares are currently suspended from trading.

Net foreign exchange losses were \$3.7 million for the quarter (2020: gain of \$19.0 million). As at June 30, 2021, 87.2% of Somers' investment portfolio was exposed to foreign currencies, primarily the Australian Dollar and Sterling. Over the course of the quarter, the Australian Dollar decreased in value versus the US Dollar by 1.3% which more than offset a 0.3% increase in Sterling. These exchange losses were primarily unrealised.

Somers' total assets increased to \$794.4 million (September 30, 2020: \$508.6 million) due to the valuation uplift outlined above. The investment portfolio was \$791.8 million as at June 30, 2021 (September 30, 2020: \$500.9 million) with equity investments (\$782.9 million) accounting for almost 99% of this total. The remaining portfolio investments consisted of other financial investments. Within investments, Resimac at \$465.4 million, Waverton at \$109.8 million, and BCB at \$72.8 million together represent 81.8% of total investments.

Borrowings

Total borrowings have increased during the year to \$92.7 million as at June 30, 2021 (September 30, 2020: \$76.0 million) but the gearing ratio reduced to 13.6% (September 30, 2020: 18.0%) on account of the growth in shareholders' equity.

Shareholders' Equity

Shareholders' equity increased to \$679.4 million as at June 30, 2021 (September 30, 2020: \$422.1 million).

During the quarter Somers bought back 1,026 shares at an average price of \$17.00 and the number of shares in issue as at June 30, 2021 was 21,785,126.

Special Dividend

The Company's Board has resolved to pay a special dividend of \$0.24 a share. The record date for the dividend will be August 27, 2021 and the payment date will be September 13, 2021.

Directors and Officers Interest in Somers' Share Capital

At June 30, 2021, the Directors and Officers of Somers and their related interests had combined ownership totaling 108,489 common shares representing 0.50% of Somers' issued share capital. No rights to subscribe to shares or debt securities in Somers have been granted to, or exercised by, any Director or Officer of Somers during the June quarter.

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About Somers Limited:

Somers is a listed financial services investment holding company whose major assets include: a 62.3% holding in Resimac Group Limited, a leading non-bank Australian financial institution with over A\$15 billion assets under management; a 62.3% holding in Waverton Investment Management Group Limited, a UK wealth manager with £11.5 billion assets under influence; and a 64.4% shareholding in UK specialist bank, PCF Group plc. Somers has shareholders' funds of approximately US\$679 million. Somers' shares are publicly traded and listed on the Bermuda Stock Exchange (Ticker: SOM.BH). More details on the Company can be found at www.somers.limited.