



Intermonte Group

CONSOLIDATED
FINANCIAL STATEMENTS

for the year ended
31 December 2022



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Corporate Boards

Board of Directors

Alessandro Valeri	Chair ¹
Guglielmo Manetti	Chief Executive Officer
Alessandro Chieffi	Director ²
Francesca Paramico Renzulli	Director ²
Manuela Mezzetti	Director ²
Guido Pardini	Director
Dario Grillo	Director

Notes: 1. Non-executive; 2. Independent

Board of Statutory Auditors

Barbara Premoli	Chair
Niccolò Leboffe	Standing Statutory Auditor
Marco Salvatore	Standing Statutory Auditor

Independent Auditor

KPMG S.p.A.

Corporate Committees

Remuneration Committee

Alessandro Valeri Chair

Manuela Mezzetti

Alessandro Chieffi

Control, Risk and Sustainability Committee

Manuela Mezzetti Chair

Alessandro Chieffi

Francesca Paramico Renzulli

231 Committee

Francesca Renzulli Chair

Alessandro Chieffi

Marco Salvatore

Chairman and CEO's Letter to Shareholders

"Dear Shareholders,

2022 was our first full year as a listed company, following the IPO on the Euronext Growth Market (previously AIM) of the Italian Stock Exchange in October 2021, which marked the passage from the private partnership model that has delivered great success for the first 26 years of our history, to that of a publicly listed company.

Our first year as a listed issuer coincided with one of the toughest years for the investment arena since the distant 1930s, with nearly all asset classes negatively affected by the impact of the war in Ukraine on both the equity market and, to the same extent, the bond market, with a brusque departure from the paradigm of a zero-interest-rate world in a few short months. The inflationary spiral drove central banks throughout the world to raise interest rates, further fuelling a highly uncertain scenario.

It is therefore important to assess the overall environment before analysing the performance of the Intermonte Group in 2022. In its first year as a listed entity, the company was faced on the one hand with a tough comparison to 2021, an excellent year from many points of view, while on the other hand the adverse financial market trends highlighted the group's ability to outperform both its reference market and many international competitors, which witnessed a slump in revenues and especially margins.

Thanks to its diversification and solid capital position, the Intermonte Group closed 2022 with a slight drop in earnings compared to the previous year, and confirmed the payment of a dividend in line with 2021.

Indeed, the Sales & Trading area managed to outperform its reference market, benefiting both from an increased number of clients and a growing capacity to diversify across asset classes. Once again this year clients rewarded Intermonte's reliability as a partner in trading activity with a second-place ranking for Trading and Execution on the Italian market in the Institutional Investors survey.

In Research, the traditional jewel in the crown, Intermonte also confirmed its top 3 place in the Institutional Investors rankings for Italian Mid & Small Caps, an area that remains the company's main focus, where it serves both issuers and investors.

The Investment Banking division recorded a very positive result, in sharp contrast to the declining revenues recorded in this area cross Europe. This result is the fruit of excellent trends in M&A and advisory activity, which more than offset weakness in Equity Capital Markets compared to an exceptional 2021. Our positioning in the Italian SME segment proved a winning formula in this segment as well.

The Global Market division faced a challenging 2021 comparison base, and operated in a particularly complex environment marked by volatility and displacement among the various asset classes. The division nevertheless managed to achieve a positive result, without increasing the riskiness of the activity and with the contribution from directional trading remaining very low.

Finally, the Digital Division & Advisory continued on its growth trajectory, bolstered by the increasing appeal of the digital channel, and more specifically the interest among financial advisors for independent consultancy, deemed of particular importance in such a problematic year for investors.

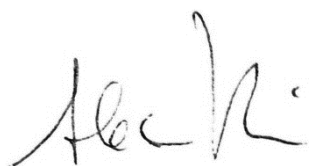
2022 was also a year in which the company invested in human capital, with the recruitment of 13 new colleagues, and in technology, with the ongoing upgrade of market infrastructure and important work on the complete relaunch of the Websim platform, the cornerstone of our digital strategy, which will come fully online in March 2023.

We have also increased our ESG commitment, both as a company and through our research department. The Intermonte Foundation Youth Project has started to disburse study grants through Milan Polytechnic University to support deserving young students with their further education.

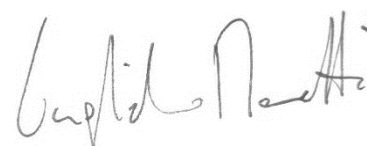
In 2022 the dividend per share remained unchanged from last year, consistent with our history and solid capital position, which strengthened further in 2022. In addition to the dividend, an active buyback policy has also allowed the company to offer a double-digit return to shareholders.

2022 results, achieved in a particularly difficult market environment, confirm the quality of our positioning and the aim of continuing with our growth path and with the diversification of revenue sources that began many years ago. The stock exchange listing also strengthened our role as a leading investment bank on the Italian market.”

Sandro Valeri
Chairman



Guglielmo Manetti
Chief Executive Officer



Condensed Income Statement

(Eu mn)	FY2021	FY2022	FY22 vs FY21 %
Sales & Trading	15.9	13.6	(14.7)%
Investment Banking	11.4	11.2	(2.2)%
Global Markets	13.0	9.1	(29.9)%
Digital Division & Advisory	3.4	3.7	7.3%
TOTAL NET REVENUES	43.8	37.6	(14.2)%
Personnel expenses (1)	(21.6)	(18.0)	(16.9)%
Other operating expenses (2)	(10.4)	(9.3)	(10.1)%
Total costs	(32.0)	(27.3)	(14.7)%
Consolidated pre-tax profit	11.8	10.3	(13.0)%
Taxes and duties	(3.1)	(2.6)	(14.3)%
Tax rate	26.1%	25.7%	
Consolidated net profit pre-minorities	8.7	7.6	(12.6)%
Profit (Loss) attributable to minority equity interests	(1.5)	(1.1)	(30.5)%
Consolidated net profit	7.2	6.5	(8.8)%

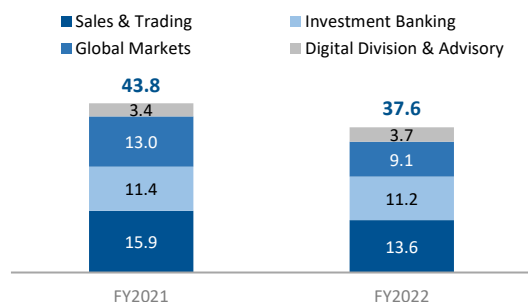
(1) This item includes remuneration of executive directors but excludes remuneration of non-executive directors and statutory auditors; (2) This item includes remuneration of non-executive directors, statutory auditors, depreciation/amortisation and net impairment losses on tangible and intangible assets, and operating income and expenses

Condensed Statement of Financial Position

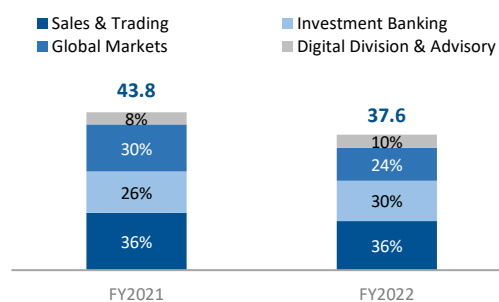
(Eu mn)	FY2021	FY2022	FY22 vs FY21 %
Assets			
Financial assets	308.5	178.6	(42.1)%
Property and equipment	4.5	3.6	(20.9)%
Intangible assets	0.1	0.1	54.9%
o/w goodwill	-	-	n.s.
Other assets	19.2	20.6	7.0%
Total Assets	332.3	202.9	(38.9)%
Liabilities and equity			
Liabilities			
Financial liabilities	245.9	122.6	(50.1)%
Other liabilities	22.5	18.4	(18.4)%
Total Equity	63.9	61.9	(3.1)%
Shareholders' Equity	53.8	51.8	(3.6)%
Minority equity interests	10.1	10.0	(0.4)%
Total liabilities and equity	332.3	202.9	(38.9)%

Financial Highlights

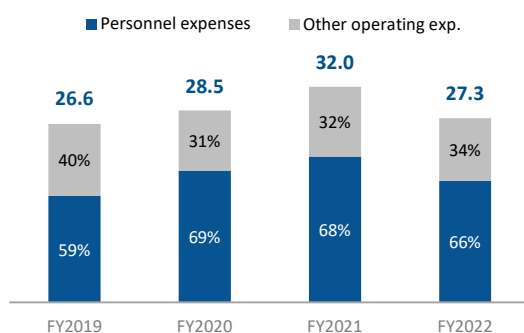
BU Revenue Trends (Eu mn)



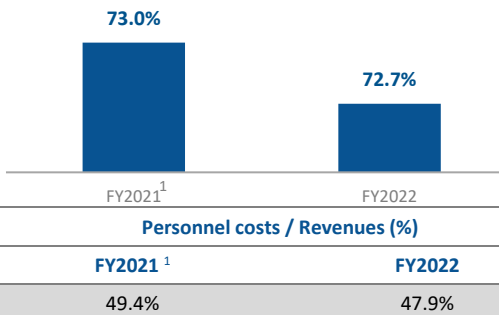
Revenue Breakdown (Eu mn & %)



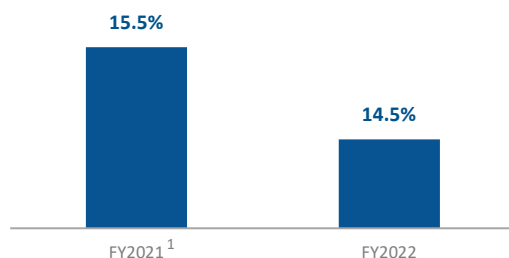
Cost Breakdown (Eu mn)



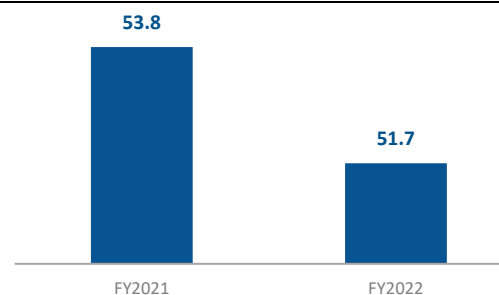
Cost Income Ratio (%)



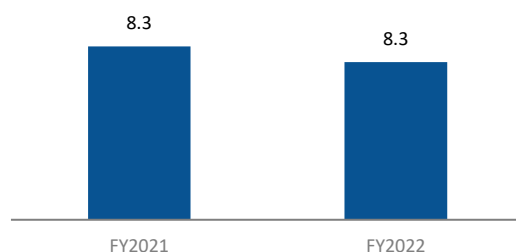
ROE = ROTE (%)



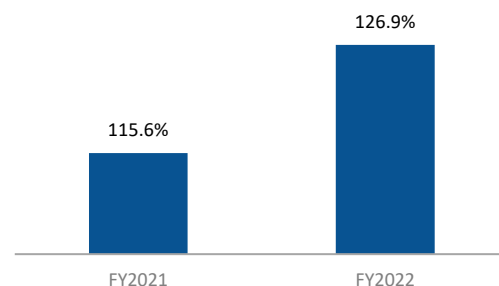
Changes in shareholder equity (Eu mn)



Dividend payout (Eu mn)



Payout ratio (%)



Note: 1. includes Eu2.5mn of non-recurring IPO costs in FY21

Business Highlights

Intermonte Group was founded in 1995

Listed on Euronext Growth Milan (EGM) since 21st October 2021

>1,000 active clients as at 31st December 2022

136 employees

Sales & Trading

A leading Italian broker for institutional investors

- 25 sales personnel/traders with over 20 years' experience on average
- ~1,000 active institutional clients that work with Intermonte
- c.50% of division's clients are located abroad
- Trading in a wide variety of asset classes
- 2nd in Trading & Execution in the 2022 Institutional Investor rankings

Investment Banking

Leader in services for SMEs

- 17 professionals, average experience of Senior Managers >20 years
- 41 deals over the last 3 years, including:
 - 19 Financial Advisory transactions, either M&A or PTO
 - 5 IPOs as Global Coordinator, Bookrunner and/or Sponsor
 - 15 Private Placements / ABBs / Rights Issues of listed companies
 - 2 Translistings
- ~ 50 Specialist and/ or Corporate Broking contracts on listed companies

Global Markets

Among the TOP 3 brokers in Italy for volume of listed derivatives traded

- 10 professionals with over 18 years of experience on average
- Focus on Client-Driven Business (c.96% of BU revenues)
- Among the main market makers on the Italian equity derivatives market

Digital Division & Advisory

Innovative Business Unit dedicated to digital services

- 14 professionals with ~13 years' experience on average
- Over 1 million retail investors reached through Websim
- Over 1,000 financial advisors registered with The Intermonte Eye (T.I.E.)


Equity Research

One of the most important research providers on the Italian market



- 15 analysts with average experience in excess of 10 years
- ≥120 listed companies covered by the Intermonte research department
- >95% of total Italian equity market capitalisation covered by Intermonte
- ~ 200 roadshows organised in FY22
- ~ 3,000 meetings organised between listed companies and investors in FY22
- Team dedicated to listed SMEs, since 2012
- >680 reports published in FY22 for a total of ≥ 5,800 pages
- 9 new stocks covered in FY22
- 3rd in Italy in Mid/Small Caps Research and 4th in Italy in General Research, according to 2022 Institutional Investor rankings

Events organised for listed companies in 2019-2022

Event	2019			2020			2021			2022		
	Location and date	Firms	Investors	Location and date	Firms	Investors	Location and date	Firms	Investors	Location and date	Firms	Investors
European Mid-Cap	 Frankfurt February 2019	12	60	 Frankfurt February 2020	11	48	 Frankfurt February 2021	14	76	 Frankfurt February 2022	10	82
	 Copenhagen May 2019	9	25	 Copenhagen May 2020 ¹	-	-	 Tech & Digital May 2021 ¹	11	40	 Copenhagen May 2022	6	11
	 Paris June 2019	14	102	 Paris June 2020	14	104	 Paris June 2021	10	77	 Paris June 2022	8	51
	 Amsterdam September 2019	8	22	 Amsterdam September 2020	10	30	 Amsterdam September 2021	13	40	 Amsterdam September 2022	6	58
	 Madrid November 2019	10	24	 Madrid November 2020	12	31	 Madrid November 2021	11	8	 Madrid November 2022	13	29
	 Geneva December 2019	10	40	 Geneva December 2020	12	71	 Geneva December 2021	12	38	 Geneva December 2022	3	29
Le Eccellenze del Made in Italy	 Turin May 2019	23	110	 Florence May 2020 ¹	-	-	 Stresa September 2021	23	73	 Rome September 2022	27	79
Italian Equity Roadshow (Large Cap)	 London January 2019	16	82	 London January 2020	22	90	 London January 2021	27	100	 London Postponed to January 2023		
	 New York November 2019	15	41	 New York November 2020	25	60						
Sustainability Equity Week				 Milan July 2020	49	180	 Milan July 2021	62	160	 Milan September 2022	59	177
Italian Equity Week	 Milan September 2019	61	167	 Milan September 2020	75	340	 Milan September 2021	49	250			

Note: 1. Event cancelled/ postponed due to Covid-19

Intermonte & Borsa Italiana

Stock performance

Market capitalisation as at 31 December 2021 (Eu mn) ¹	79.8
Average share price in 2022 (Eu) ²	2.60
Lowest price in 2022 (Eu) ²	2.25
Highest price in 2022 (Eu) ²	2.70
Final price (31 December 2022) ²	2.50
Average daily trading volume in 2022 (no. shares)	19,669
Dividend per share paid in 2022 (Eu)	0.26
Dividend yield (on average 2022 price, %)	10.0%
Total return on the IPO (between 21 Oct. 2021 [IPO date] and 31 Dec. 2022)	-1.4%
FTSE MIB performance (between 21 Oct. 2021 [IPO date] and 31 Dec. 2022)	-10.6%
EGM index performance (between 21 Oct. 2021 [IPO date] and 31 Dec. 2022)	-17.1%

Notes: 1. Calculated on number of shares outstanding; 2. Ex-dividend Closing Price

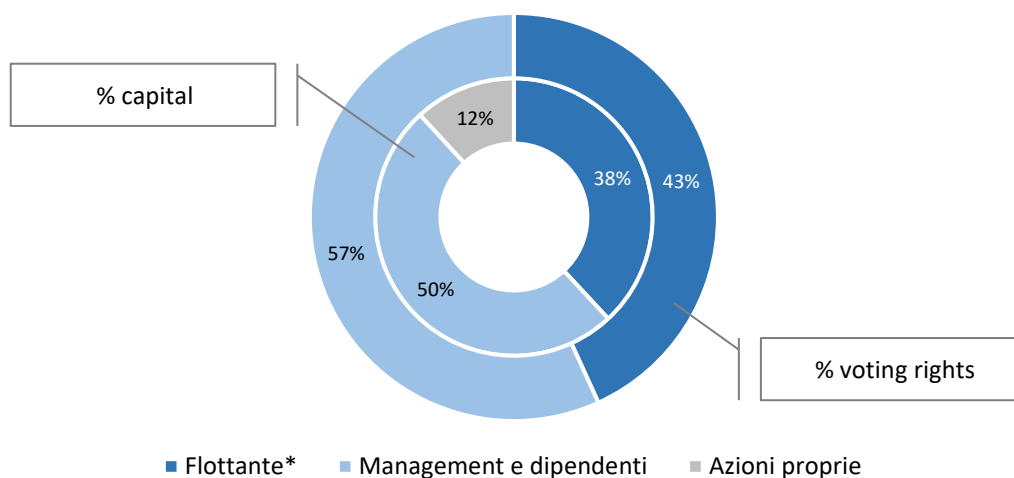
Summary

Total number of shares	36,195,500
of which treasury shares	4,278,946
Total number of voting rights/number shares outstanding	31,916,554
Share type	Ordinary, no par value
Share capital (Eu)	3,290,500.00
Equity per share as at 31 December 2022 (Eu)	1.94
ISIN	IT005460016
Bloomberg code	INT IM Equity
FactSet code	INT-IT
Reuters code	INTM.MI
Currency	Euro (€)
Primary market	Euronext Growth Milan (EGM)

Information for shareholders

Euronext Growth Advisor (ex Nomad)	BPER Banca S.p.A.
Specialist	Intesa Sanpaolo S.p.A.
External auditor	KPMG S.p.A.
Disclosure of regulatory information	Through 1Info, managed by Computershare S.p.A.

Group shareholders and voting rights



Note: *The Float comprises group shareholders, as defined by Issuer Regulations, net of the stakes held by management and employees

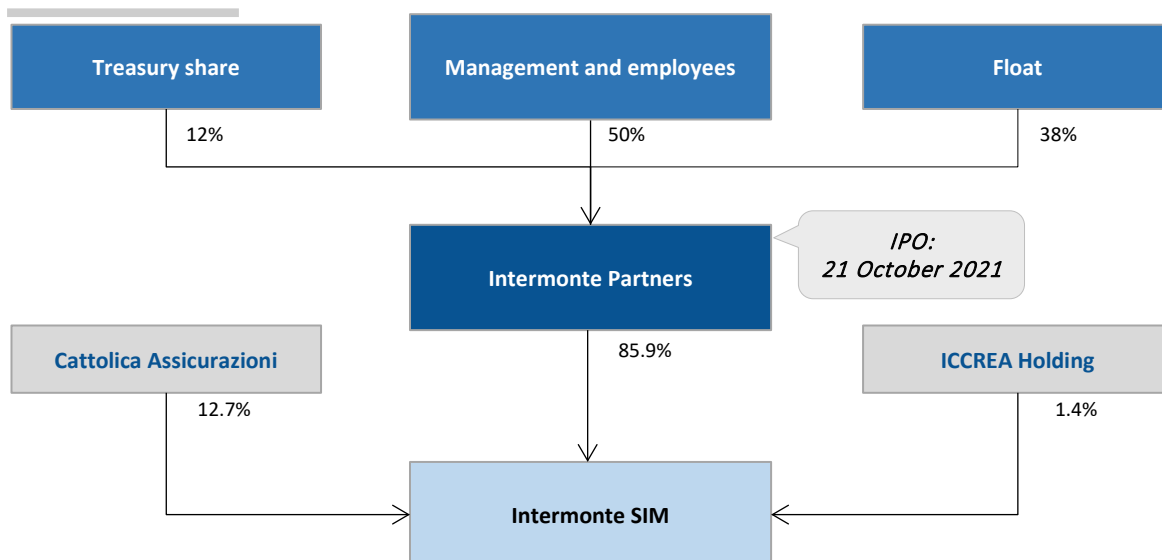
Main shareholders

Significant shareholdings	Number of shares	% of capital	% of voting rights
Alessandro Valeri	2,586,692	7.1%	8.1%
Gian Luca Bolengo	2,573,692	7.1%	8.1%
Guido Pardini	1,661,565	4.6%	5.2%
Walter Azzurro	1,650,517	4.6%	5.2%
Guglielmo Manetti	1,113,259	3.1%	3.5%
Fabio Pigorini	1,113,259	3.1%	3.5%
Dario Grillo	1,112,265	3.1%	3.5%
Andrea Lago	1,104,910	3.1%	3.5%

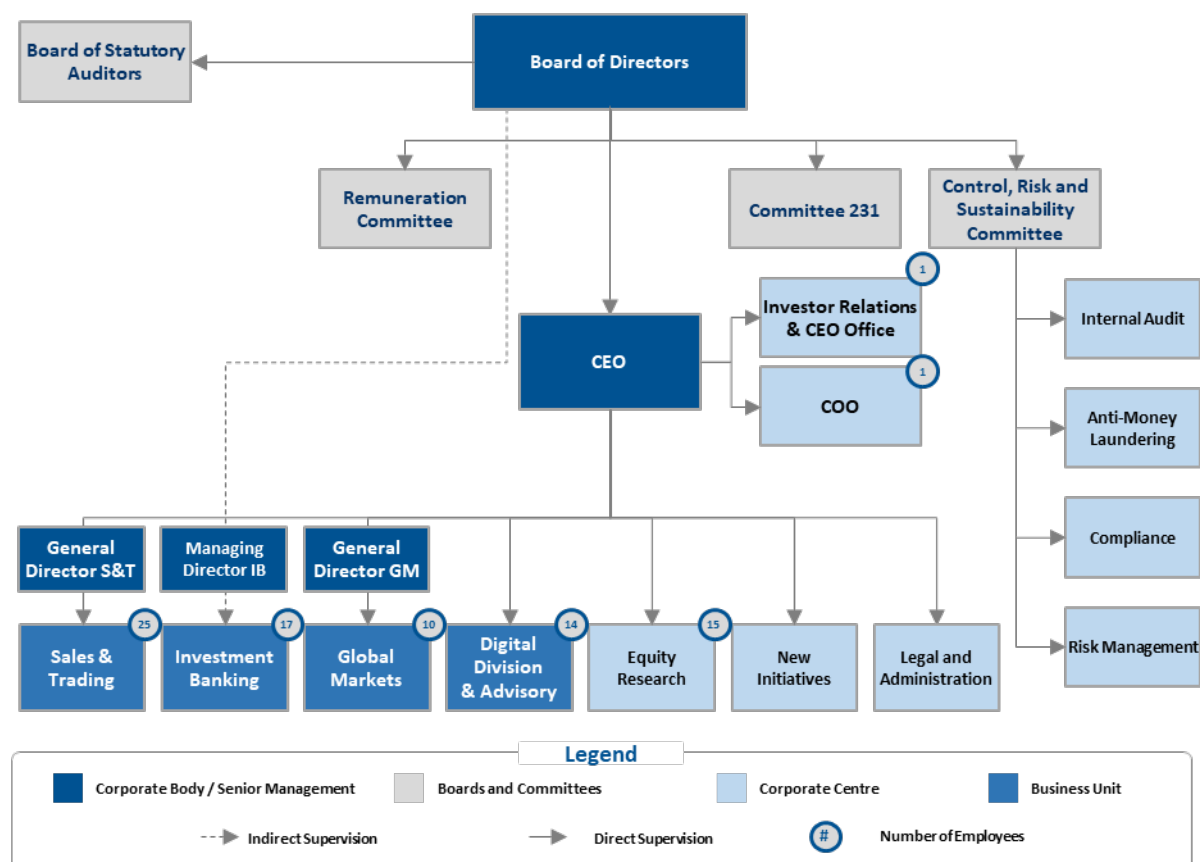
Notes: 1. The two founding shareholders and five senior managers are members of a joint shareholders' agreement, covering 7,700,000 shares in the Issuer corresponding to 21.3% of the share capital and c.24.0% of shares with voting rights. The joint shareholders' agreement sets terms and conditions for the circulation of shares pertaining to the members, stipulating that each member, until the expiry of the agreement, commits with regard to the Shares of the Second Shareholders' Agreement transferred by each member: (a) not to transfer and/ or arrange inter vivos gift of said shares; (b) not to enter into any type of derivative contract with the shares as underlying asset; and (c) not to engage in lending of the shares.

The Intermonte Group

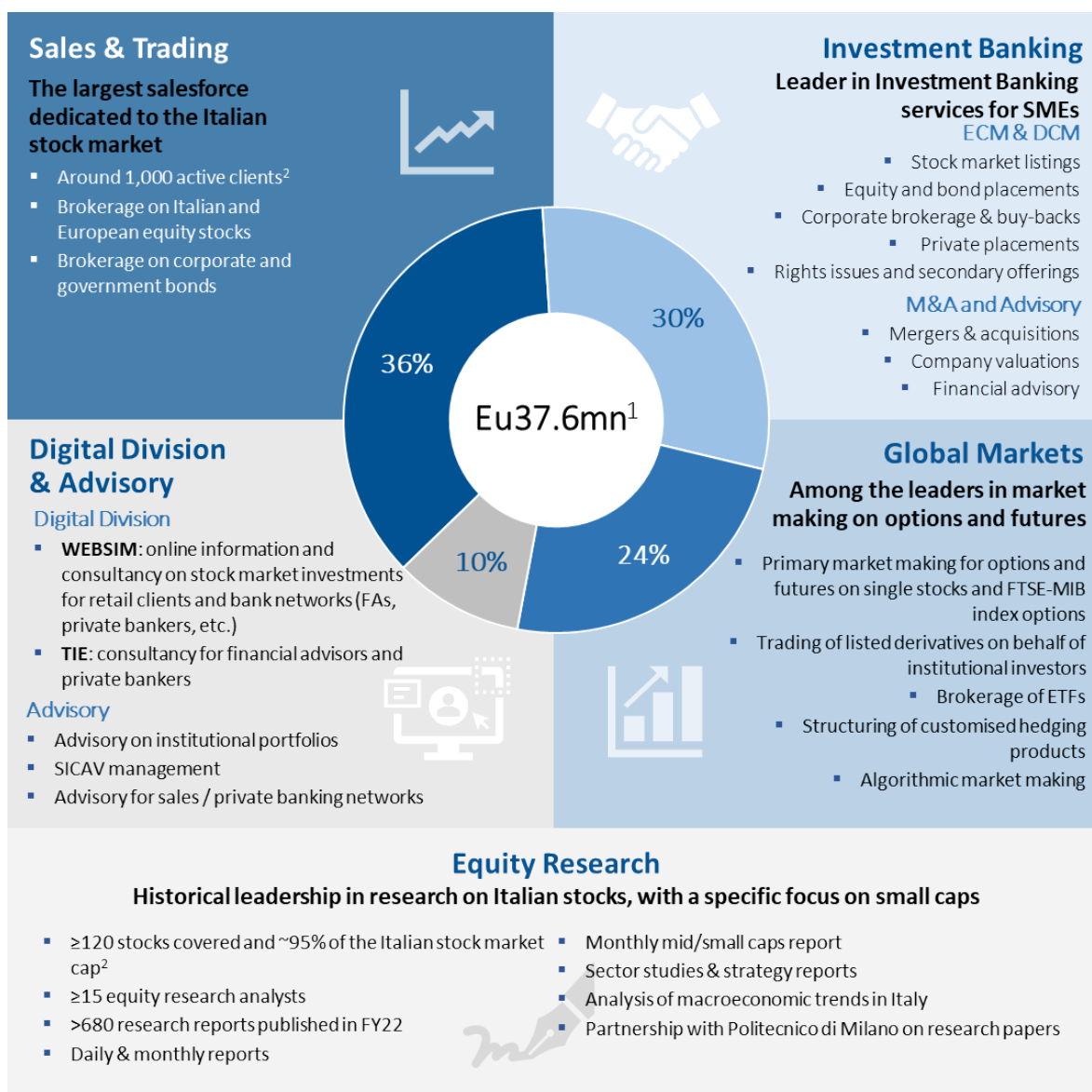
Company structure



Organisational Chart



Business units



Notes: 1. Revenue breakdown as at 31 December 2022; 2. Figure as at 31 December 2022

Group Description

The Intermonte Group (“Intermonte”), controlled by Intermonte Partners SIM and including Intermonte SIM, is an independent investment bank equipped with comprehensive access to capital markets and capable of offering investment and consultancy services, positioning itself as a leading light in the Italian Mid & Small Caps segment.

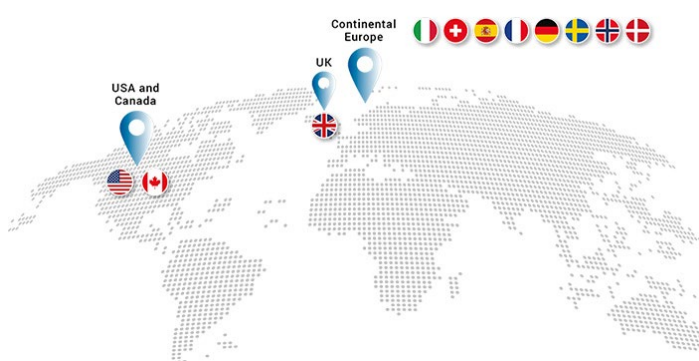
Intermonte, founded in 1995 and listed on the Euronext Growth Milano of the Italian stock exchange since 21st October 2021, is a group of Italian securities firms (SIM) with a consolidated presence on capital markets through four business lines: **“Sales & Trading”**, **“Investment Banking”**, **“Global Markets”** and **“Digital Division & Advisory”**. The group’s four business lines are supported by **“Equity Research”** activity, namely research and analysis on nearly all companies listed on Borsa Italiana markets, carried out by a dedicated team of financial analysts.

Intermonte Partners stands out on the Italian market due to its business model, which marries independence with consolidated access to capital markets. This independence is founded on the absence of conflicts of interest, enabling Intermonte to be a respected partner both for institutional investors or companies, within the Sales & Trading or Investment Banking divisions, and for the financial consultants segment, which is addressed through the digital channel.

Description of group activity

Sales & Trading

The Sales & Trading business offers brokerage services to Italian and international institutional clients such as banks, insurers, asset managers (SGR), mutual funds, hedge funds, pension funds and other market operators.



The Intermonte sales force provides extensive geographical coverage, especially of the main financial markets, with desks dedicated to Italy, United Kingdom, continental Europa, USA and Canada.

Through this business line, the group also offers trading on behalf of third parties on Italian and foreign equity, bonds (sovereign and corporate), derivatives (listed and non-listed), Exchange Traded Funds (ETF) and green certificates (CO₂).

Intermonte also offers its clients so-called interconnection services, operational access to markets and multilateral trading facilities on which the group is active. The business line operates “directly” on Italian markets such as: Euronext Milan (EXM), TAH, MOT (DomesticMOT and EuroMOT segments, SeDeX, IDEM, ETFplus, Euronext MIV Milan (MIV), ExtraMOT, Euronext Growth Milan, EuroTLX and Eurex) and has indirect access through other brokers to all the main regulated markets and multilateral trading facilities in Europe, the US and Asia, in addition to best execution systems, used to ensure the best execution of client orders, and trading platforms (such as Bats, Chi-X, Liquidnet, Posit, Turquoise, among others).

Post-market activities, which include the settlement and reconciliation stages of all transactions brokered by the Intermonte group, are supported by an internal back office that guarantees proper settlement of transactions.

Since 2014, Intermonte Partners has operated on the European Union Allowance (EUA) emissions trading market, offering its clients the best conditions for the purchase and disposal of these instruments through over-the-counter (OTC) transactions on the main trading platforms. Intermonte offers various products for emissions trading, such as access to the derivatives market, in-depth analysis of international regulations, reports and research.

There are over 25 professionals working in the Sales & Trading business line, with 20-year experience on average. They contact Intermonte’s 750+ clients on a daily basis.

Investment Banking

In the Investment Banking business line, Intermonte group offers a wide range of consultancy services, aimed at listed and non-listed Italian companies, with a focus on SMEs. Its activities can be categorised in the following areas:

■ **Equity Capital Markets (ECM)**

Predominantly related to market listings, both on the regulated Euronext Milan (EXM) market and the non-regulated Euronext Growth Milan (EGM) market, capital raises, share placements with investors, and public tender or exchange offers, carried out in the role of global coordinator, sponsor, Euronext Growth Advisor of the placement syndicate, underwriter for capital raises or broker tasked with coordinating subscriptions for public tender or exchange offers, depending on the particulars of the case. As well as raising capital, ECM activity also includes placements or purchases on the market of significant stakes in listed companies through accelerated book building (ABB) or reverse accelerated book building (RABB) mechanisms open to institutional investors.

■ **M&A and Advisory**

Consultancy activity, provided to corporate clients (listed and non-listed companies and/or their main shareholders), private equity houses and financial institutions. The consultancy offered is in relation to mergers and spin-offs, disposals and acquisitions, including evaluating the target companies for the same transactions and the issue of fairness opinions from a financial point of view, and capital restructuring operations for industrial and financial companies.

■ **Corporate Broker and Specialist**

Consultancy activity provided to listed companies in areas such as promotion of their equity story with institutional investors, preparation of documentation aimed at the financial community and, more in general, fostering relations between companies and financial markets as well as providing assistance to management of listed companies and monitoring market trends in listed financial instruments. These activities may extend to supporting the liquidity of financial instruments.

■ **Debt Capital Markets (DCM)**

Consultancy activity on debt structuring, namely identifying the best technical format to meet the financial needs of the client, as well as on the placement of financial debt instruments and/or bonds both to the general public and to institutional investors; advisory activity for, among other things, raising debt capital through leveraged buyout/ M&A transactions, financing by traditional players (banks) and alternative operators (institutional investors, insurers, etc.) and assessing the ideal financial structure of the company.

In recent years the business line has represented a major area of development for the Intermonte group, with a significant broadening of the services offered, as well as a major increase in the number of dedicated professional.

Global Markets

The Global Markets business line provides the group's clients with services on all Asset Classes (equity, bonds, currencies, commodities, derivatives and ETF) through trading on own account, market making and brokerage, enabling investors to prepare strategies for investment or portfolio risk hedging.

The “Global Markets” business line comprises two business areas:

- **Client-Driven & Market Making:** trading activity featuring very low levels of risk, as the financial instruments are generally purchased and sold on behalf of third-party investors during the course of the same day of trading, thus limiting net exposure risk to financial instruments at the end of the day, or hedged with closely-correlated instruments that significantly reduce market risk. The activities carried out in this area of the business line mainly consist of:
 - a) **Market Making:** on equity derivatives (US and European options and single stock futures on the main components of the FTSE MIB index or the index itself, as well as options on the leading European stocks on the Eurex) and on government bonds;
 - b) **ETF Trading:** trading activity on the main multilateral trading facilities (MTF), on passive listed ETF/ ETC instruments;
 - c) **Fixed Income:** market making activity and brokerage of debt securities with the aim of offering clients coverage of all phases of fixed income activity, from placement on the primary market, to brokerage on Italian and foreign corporate and government bonds on the secondary market;
 - d) **Specialist:** acting as a specialist operator on shares traded on the Euronext Milan, Euronext STAR Milan and Euronext Growth Milan markets in order to support liquidity within the parameters set by the manager and the regulations applicable to each market;
 - e) **Electronic Trading & Execution Service:** the team provides electronic access to global markets through a range of technologically-advanced platforms and interfaces that allow high-performance, low-cost connections to the leading financial markets.
- **Proprietary Trading:** or trading on own account, is characterised by a higher level of risk, albeit constantly monitored by the risk management department, as the financial instruments generally remain on the company’s book overnight, meaning the proprietary portfolio is subject to fluctuations in the prices of the instruments on which there is a position.

The activities carried out in this area of the business line mainly consist of:

- a) **Volatility Trading:** aimed at exploiting investment opportunities deriving from proprietary analysis of surface volatility with an eye on relative value;
- b) **Risk Arbitrage & Special Situations:** aimed at exploiting investment opportunities deriving from capital and/ or other transactions or extraordinary events relating to companies, such as capital raises and public tender and/ or exchange offers, for example;
- c) **Algorithmic Trading:** executed through proprietary decisional algorithms based on standard and innovative quantitative analysis;

- d) **Directional Trading:** on shares, derivatives, bonds and ETF, aimed at executing investment strategies based on fundamental analysis, technical analysis and/ or news on issuing companies and/ or market-sensitive information.

In terms of risk management, the Global Markets area is constantly monitored by the risk management department, which ensures compliance with all pre-defined limits for individual risk parameters, or more generally the value-at-risk (VAR), a risk indicator commonly used by treasuries, banks' proprietary portfolios and the wider investment world, which measures the maximum expected daily loss on positions in the portfolio in the event of extremely adverse scenarios affecting the value of the individual positions, while a periodical stress test analysis positing even worse conditions is also combined with the VAR.

Digital & Advisory

The Digital Division & Advisory (DD&A) business line includes:

- a) **Websim:** financial services and content through digital channels to retail customers;
- b) **T.I.E. (The Intermonte Eye):** consultancy, investment solutions and training to financial advisors and private bankers through digital channels (websites, apps, webinars);
- c) **"Advisory & Gestione" activity:** consultancy on portfolios, directly through a portfolio management mandate or indirectly through structured advisory offered to private bankers or corporate treasury departments;

The services provided by the business line are described in more detail below.

Websim

Intermonte group's presence in the digital channel dates back to 2000 with the creation of Websim, a brand operating in consultancy and service provision to retail investors that are customers of the leading digital brokers, including FinecoBank S.p.A., as well as other important retail banking channels. The online broker segment has grown rapidly in Italy, and now accounts for c.30% of total volumes traded on the Italian equity market.

The Websim team takes the content generated by the Intermonte Research Department, simplifying it for use by non-professional retail investors and adding further content of greater interest to that audience, such as technical analysis and interviews with company management, among other things. Thanks to the consolidated presence of the Websim brand for more than two decades, it is particularly well recognised by retail clients of various e-banking platforms, which as mentioned above, account for c.30% of volumes traded on the Italian equity market.

Websim currently distributes its service directly to retail users on a subscription basis (B2C), to institutional operators (B2B) who supply Websim financial information and content to their

clients, and finally to listed issuers interested in increasing their visibility with the retail segment, given its growing importance in terms of total volumes traded on the Italian market.

During 2022 the company embarked on a project for the modernisation of the website, with the aim of greatly enhancing the Websim brand, accompanied by a further push from the appointment of a new Head of the digital area.

For more information visit: www.websim.it

TIE (The Intermonte Eye)

The brand, created in 2019 and dedicated to financial consultants/advisors and private bankers, completes the digital division's offering. Its strategic rationale derives from analysis of the growing demand for specialist, independent advisory from financial consultants, caught between the growing transparency requirements introduced by MiFID II from 2018 and rising demand for increasingly specialist advisory and other services from medium and medium/high-end clients that are becoming accustomed to using digital channels. Demand was boosted sharply as a result of the Covid-19 pandemic, when both private clients and consultants became more accustomed to using digital channels. Indeed, with end clients increasingly demanding professional financial advisory services, including through immediately and easily-available digital solutions, financial advisors and consultants are being driven to broaden the range of quality services offered, particularly with the aim of increasing services offered on administered assets. TIE fills this gap, which is not covered by Intermonte's other areas of activity, providing consultancy services, investment solutions, analysis and educational content, as well as webinars across various channels, both internal (the dedicated TIE app, proprietary mailing lists), and external (such as the publicly accessible social media platforms, above all LinkedIn, and proprietary platforms of clients and partners). Further growth comes from investment in multimedia audio and video content, which make the commercial strategy even more alluring. The positioning as an independent advisor makes the Intermonte group /TIE a particularly credible intermediary for financial consultants, who, given the demands for increased transparency imposed by MiFID II, benefit from the necessary education and a useful flow of information.

For more information visit: <https://tie.intermonte.it/>

Advisory (Advisory e Gestione)

The Advisory e Gestione division was formed in 2016 and offers portfolio management services (through direct mandates or by proxy), and advisory on investment matters (through consultancy on portfolios) to institutional clients in the private banking arena. Proxy management is focused on consultancy or management mandates for portfolios from some private banking operators, as well as providing advisory on liquidity management or specific strategies for companies'

treasury departments. Finally, the division offers consultancy services to private banking structures with theme-based portfolios, and is increasingly specialising in ESG products.

Equity Research

Equity Research consists of producing fundamental analysis into companies listed on the Italian market. The specific focus on Italian Mid & Small Caps ensures the Intermonte Equity Research team stands out from the crowd.

Equity Research is a fundamental pillar of the Intermonte Group's activity. Indeed, the work carried out by the research department has synergies with the other divisions, and research plays a fundamental part in Sales & Trading activity, as well as Corporate & Investment Banking, as and when required.

A distinguishing feature of the Equity Research carried out by Intermonte is the focus dedicated to the Mid/Small Caps sector, through production of sector-specific research dedicated to small and medium-sized companies, such as the Italian Mid Small Caps Monthly, as well as in-depth reports on themes of specific interest for this segment of stocks.

Research activity to support the generation of investment ideas for the Intermonte Group's institutional clients comprises a variety of reports published over time. The main product consists of individual reports on listed issuers that analyse company fundamentals and communicate an investment recommendation that is updated following key events involving the company and as and when required. The company produces a wide range of reports, including the *Morning Call from Italy* (a daily update in Italian and English circulated as the market opens), the *Italian Equity Strategy Monthly* (a monthly update on expected strategic trends in the Italian equity market), *Sector Reports* (sector-wide research) and *Equity Focus* (on specific topical themes affecting market performances). Furthermore, more wide-ranging strategic reports outline the market, economic and sector trends expected to prevail over the next six months. As of 2020 the product offer was enhanced with a series of reports under the heading *Green is the New Gold*, tackling the main regulatory matters affecting issuers and investors in relation to Environmental, Social and Governance (ESG) themes, notably climate transition, which are taking on rising importance in investment and communication strategies.

For the last decade the Intermonte group and its research team have been promoting the "*Eccellenze del Made in Italy*" event, one of the most important shop windows in Italy for small and medium-sized listed companies and a key opportunity for them to meet professional investors. This is now an established event that helps enhance the visibility and liquidity of listed SMEs.

Members of the Equity Research team are highly qualified, and the group encourages continuous professional development. Sterling efforts are also made to provide opportunities to talented

young graduates, including through internships run in partnership with the leading Italian universities. Some members of the team recently participated in the first edition of an in-depth ESG course organised by Milan Polytechnic University and CFA Italia, for which they received diplomas. The company also subsidises the costs for the international Certified Financial Analyst (CFA) and Certified Environmental, Social and Governance Analyst (CESGA) exams.

For a number of years, the Equity Research team has participated in drawing up research in partnership with the Milan Polytechnic Engineering Faculty's School of Management. The research publications focus on far-reaching issues that are of particular importance for the Italian equity market, and are presented at official events with strong media coverage.

Recognition received by the Equity Research team includes various awards in the rankings drawn up by Institutional Investor, one of the leading international classifications specialising in finance. Specifically, in 2022 Intermonte placed third in the annual rankings for its Italian Mid/Small Caps research and fourth in the overall rankings for the Italian market. The survey is based on voting from international institutional investors, and the high rankings achieved demonstrate the visibility and reputation of Intermonte well beyond Italian borders.

Partnership with QCapital

In 2021 the Intermonte Group signed a partnership agreement with QCapital, focused on structuring club deals for investing in Italian Mid/Small Caps.

QCapital is dedicated to organising private equity club deals on Italian SMEs. Founded by Stefano Miccinelli, Renato Peroni, Massimo Busetti, Giovanni Pedersoli and Francesco Niutta, the company plans to be a stable, well-resourced entity that has the aim of carrying out an indicative maximum of two investments per year through the organisation of club deals to propose to a consolidated network of professional investors, family offices and entrepreneurs. The team of QCapital shareholders boasts a lengthy track record in private equity transactions, in some instances as investors, at other times as strategic consultants and/ or M&A advisors.

The targets will be Italian SMEs that are already listed on regulated markets or are close to listing, featuring excellent market positioning in highly-profitable sectors, attractive growth opportunities and positive long-term trends. The average size of each investment can be between €10mn and €30mn for a minority equity stake, with a period of 3-4 years in which to execute the disinvestment.

Investments will be organised as club deals, and proposed to a consolidated network of professional investors, family offices and entrepreneurs. If the investment is approved, both the Intermonte Group and QCapital will invest in the specific club deal.

During 2022 various deals were analysed, but as yet these have not led to the creation of a club deal.

Group History

On their departure from an international group in 1995, the founding partners of Intermonte SIM came together with Banca Intermobiliare to set up the brokerage company “Intermobiliare Securities SIM”. From the word go, the new firm was characterised by a strong vocation for fundamental research with a specialisation on the Italian market, and it quickly established itself as a highly respected broker, above all among major international investors.

After a brief start-up phase, as a consequence of the rapid success achieved by Intermobiliare Securities SIM, Banca Intermobiliare sold its controlling stake to Banca Agricola Mantovana S.p.A.. Thanks to the financial support from the new parent company, in 1999 the firm became the top broker by volume of brokerage on the Italian market, according to the Assosim ranking. In the same year, the firm became part of the group headed by Banca Monte dei Paschi di Siena S.p.A. (“MPS Group”) following the latter’s successful conclusion of its PTO on Banca Agricola Mantovana S.p.A.

Following the acquisition by the MPS Group and the transfer of Monte Paschi Mercato SIM S.p.A. by the latter, 2/3 of the company’s equity was owned by MPS Group and 1/3 by the original management. Thanks to this purchase the company, renamed Intermonte Securities SIM, accelerated its diversification from pure brokerage and research into investment banking, as well as setting up Websim.

In November 2007, a management buy-out began which culminated in July 2008 with the original management team, brought together in Intermonte Partners (at the time named Intermonte Holding), assuming control of Intermonte SIM.

In 2010 a capital increase reserved for Società Cattolica di Assicurazioni S.p.A. saw the latter company enter the capital with a stake that, following the definitive exit of MPS in 2017, now stands at c.12.7%. In 2011, a similar, albeit smaller, transaction was agreed that brought ICCREA Holding S.p.A. into the shareholding with a stake of c.1.4%.

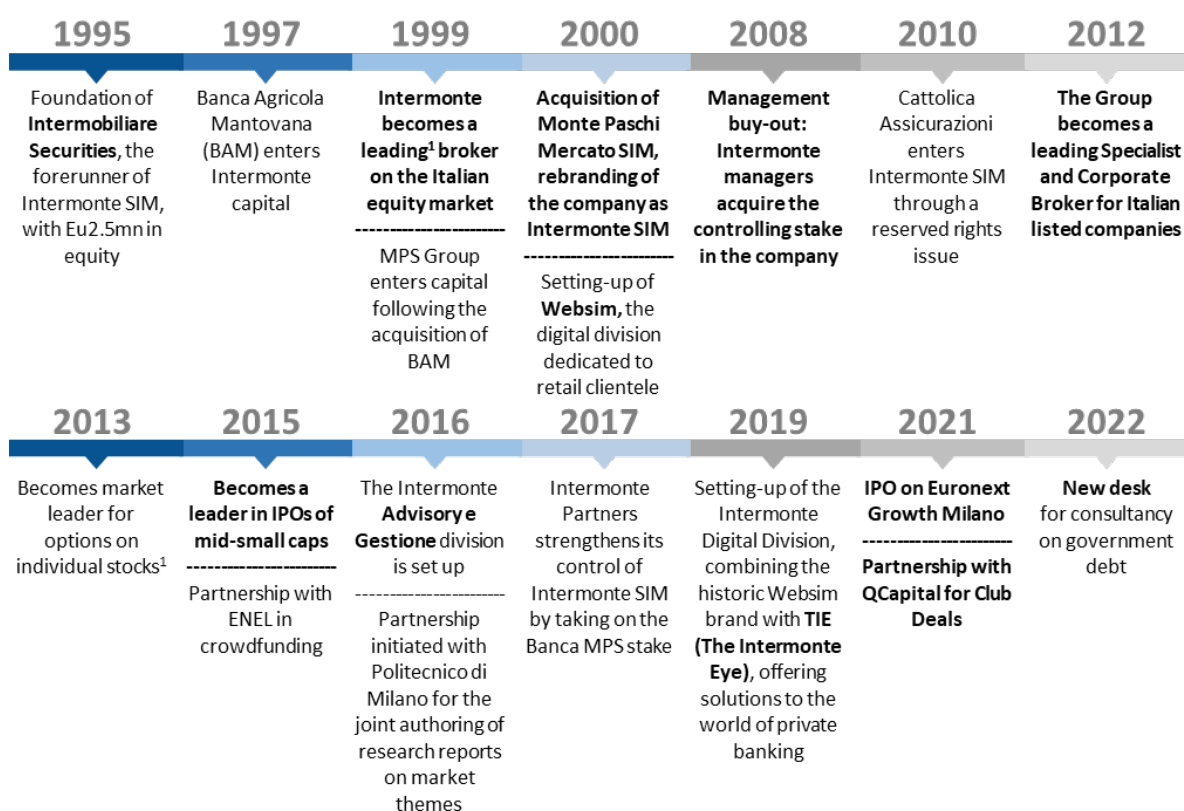
In the meantime, the Intermonte Group continued to strengthen its positioning in the Italian Mid & Small Caps segment, quickly becoming one of the main operators in the *Corporate Brokerage* and *Specialist* sector. Moreover, the capital increase enabled an important development of market making in Italian equity derivatives, further broadening the range of services offered to institutional clients.

In 2017, a buyback on the entire residual stake held by Banca Monte dei Paschi di Siena S.p.A. brought the stake held by Intermonte Partners SIM to c.85.9% of Intermonte SIM equity (net of treasury shares).

In the last few years, Intermonte Group has invested further in diversification through the setting-up of the Digital Division, which combines the new TIE (The Intermonte Eye) brand and Advisory activity with the established Websim brand.

In 2021, Intermonte Group commenced work for the flotation of the parent company on the Euronext Growth Milan (EGM) segment of Borsa Italiana, a transaction that was successfully completed on 21st October 2021. During the same year it signed a partnership with QCapital, a primary independent operator in the Club Deal segment, dedicated to co-investing in minorities of Italian mid/small cap that are already listed or on their way to IPO.

In the first half of 2022, a team of professionals specialising in advisory in the bonds segment joined Intermonte. Their focus will be on treasury departments of mid/ small financial institutions and/ or companies.



Macroeconomic Scenario

2022 macroeconomic scenario

The main feature of the 2022 macroeconomic scenario was the strong focus on inflation, amplified and prolonged in Europe by the Russia/Ukraine war from 24th February. The dominant theme was therefore expectations for rising inflation, which gradually pushed central banks into restrictive policy manoeuvres, gradual at first but turning increasingly severe.

On the growth front, the US suffered a technical recession in the first half of the year, with a marked recovery in the second half enabling annual GDP growth to close at 2%.

Based on initial preliminary data on fourth quarter GDP (where available) and IMF estimates (World Economic Outlook, January 2023), 2022 trends in the various geographical areas were as follows: Euro zone +3.5%, Italy +3.7%, UK +4.1%, Japan +1.4%, US +2%.

Looking at the fourth quarter in more detail, Euro zone GDP slowed considerably (+0.1% YoY, compared to +0.3% in 3Q), avoiding a decline in the final quarter of the year thanks mainly to the sharp upturn in Irish GDP (+3.5% QoQ). Elsewhere, in the final quarter of the year there were negative GDP trends in Germany (-0.2%) and Italy (-0.1%), but opposing trends in France (+0.1%) and Spain (+0.2%). Looking specifically at Italy, the impact of rising energy prices was clearer in the final two quarters of the year (from +0.5% to -0.1%). Italy closed 2021 with real GDP growth of 7%, whereas it closed 2022 with 3.7% growth, based on ISTAT figures.

As mentioned, inflation was at the centre of attention for traders and analysts. In the US, consumer price trends peaked at 9.1% in June, then sank back to 6.5% in December. In the Euro zone the peak was reached in November (+10.6%), with inflation then falling to 9.2% in December. The higher peak, and its later arrival than in the US, can be ascribed above all to the different combination of triggers, with energy prices having a much greater role to play in the Euro zone due to the sharp fluctuations in gas prices, whereas the demand side had a greater impact in the US. Moreover, in the Euro zone inflation in the services sector was more widespread and persistent, as highlighted by the rise in core inflation, which hit 5.2% in December, a new record since Euro zone series have been published.

In the US the drop in inflation was tempered above all by the ongoing rise in the shelter component (+7.5% YoY in December), which is weighted at over 30% of the entire basket. This is demonstrated by the notable difference in US core inflation indices: the core CPI in December was 5.7%, whereas the core PCE was 4.42% in the same month; the PCE (used as the reference parameter by the Fed) is much less heavily influenced by the shelter component due to the different calculation methodology.

Against this backdrop, in 2022 there were signs of an easing of the supply chain bottlenecks that emerged in the wake of the pandemic. The World Container Index (which measures the cost for

transporting a 40ft container) fell c.75% in 2022, while there was a -32% drop in the Baltic Dry Index, which measures the cost of transporting containers of dry commodities.

Specific factors affecting Euro zone inflation include the notable fluctuations in Gas TTF prices, which set a new record of €339/MWh in August (an increase of c.+370% from the beginning of 2022) then rapidly fell back to €76/MWh by year-end (c.-170% YTD). This trend was burdened by the summer focus on restoring EU gas inventories in a situation where Russian supply was becoming increasingly scarce, especially after the mid-year closure of the Nord Stream1 gas pipeline, initially for maintenance works and subsequently as a result of sabotage.

China was largely unaffected by the inflation crisis, with consumer price indices in December coming to 1.8%.

As for fiscal policy, in August the US Congress launched its new Inflation Reduction Act (IRA), which based on estimates by the Congressional Budget Office, envisages c.US\$430bn of investments, of which US\$369bn in the Energy Security and Climate Change line, with the aim of financing a series of measures that will bring US greenhouse gas emissions down by 50% in 2030 compared to 2005 levels. The law involves incentives of various shape and size, on the condition that production is carried out in the US. This section of the law covers a wide range of sectors, granting 10-year tax credits in areas such as renewable energy, energy efficiency of buildings, and the production of clean hydrogen. The act includes incentives of US\$7,500 for the purchase of a new electric vehicle and US\$4,000 for a used model, provided that the vehicle is manufactured in the US and the price is no higher than US\$55,000 for sedans and US\$80,000 for SUVs.

In Italy, the European Commission approved the issue of the second Eu21bn tranche of NRRP funds (Eu10bn of grants and Eu11bn of loans) thanks to the achievement of the 45 agreed targets and milestones. In December 2022 the Minister for European Affairs Raffaele Fitto announced the achievement of the 55 targets set in the NRRP for the second half of 2022.

During 2022 there was a sharp rise in market interest rates, with two notable temporary interruptions, firstly during the summer and secondly towards the end of the year. These were mainly attributable to the attitude of the Federal Reserve. In June, Federal Reserve Chairman Powell referred to the possibility of slowing the pace of interest rate hikes. In August, however, the Fed governor stressed the institution's determination to get inflation back under control as an absolute priority, even at the expense of growth. Finally, at the end of the year the intention to slow the pace of rate hikes re-emerged, as effectively materialised with the shift from 75bp to 50bp increases, with the Fed Funds rate closing the year at 4.25/4.50%.

For its part, the ECB started to raise interest rates in July, initially at a 50bp pace, then accelerating to 75bp, with the deposit rate reaching 2% at year-end. Moreover, in December the ECB indicated that as of March 2023 it will start to reduce reinvestments on securities maturing within the asset purchase programme (APP), lowering the average reinvestment rate

to Eu15bn/month until June. The subsequent pace of the reduction in reinvestments will be decided at a later date.

In this context, the US yield curve followed a flattening trend, to the extent of an inversion that remained in place throughout the second part of the year: the 2/10-year Treasury spread went from a maximum of c.90bp in March to c.-55bp at the end of 2022. For the Euro yield curve, the flattening began in July, with the spread closing the year at -20bp. The different speed of the flattening/ inversion of the US and European yield curves can mainly be attributed to the earlier and more notable adoption of restrictive policies by the Fed compared to the ECB.

As for foreign exchange markets, on average the dollar has appreciated against the main currencies, a trend that reversed over the final two months of the year. Indeed, up to October, the prevailing factors were the Fed's more marked restrictive approach, along with the trade deficit that had already emerged at the end of 2021 and expanded during 2022 to peak at c.US\$46bn in August, and the sharp increase in TTF gas prices that increased the value of energy imports. As a result, the EUR/USD exchange rate went from c.1.15 at the beginning of the year to a low point of c.0.95 at the end of September, before closing the year at 1.07.

During 2022 equity markets were mainly penalised by the increasingly restrictive approach taken by central banks, aimed at curbing inflation. The trend that emerged was therefore diametrically opposed to the trend in interest rates: markets were penalised as interest rates rose and vice versa. In the rising interest rate environment, the indices that were hit hardest were those with the greatest exposure to growth stocks. The Nasdaq100 closed the year down c.33%, compared to -14% for the Euro Stoxx600 index. In Italy, the FTSE Mib recorded a 14.5% decline, a similar performance to the FTSE Italia All Shares index (-15.2%). The FTSE Italia Star posted -28.2%, while the FTSE Italia AIM posted -20.2%.

In 2022 the value of trading on Borsa Italia came to Eu556bn, down from Eu613bn in 2021.

As at 31st December 2022, the number of companies listed on the main Euronext Milan Domestic market came to 220, with a further 190 listed on the Euronext Growth Domestic market.

There were 29 initial public offerings (IPO) on Piazza Affari in 2021, of which 3 on the Euronext Milan (ex MTA) and 26 on Euronext Growth Milan (ex-AIM Italia). This compares to 49 IPOs in 2021 and 22 in 2020.

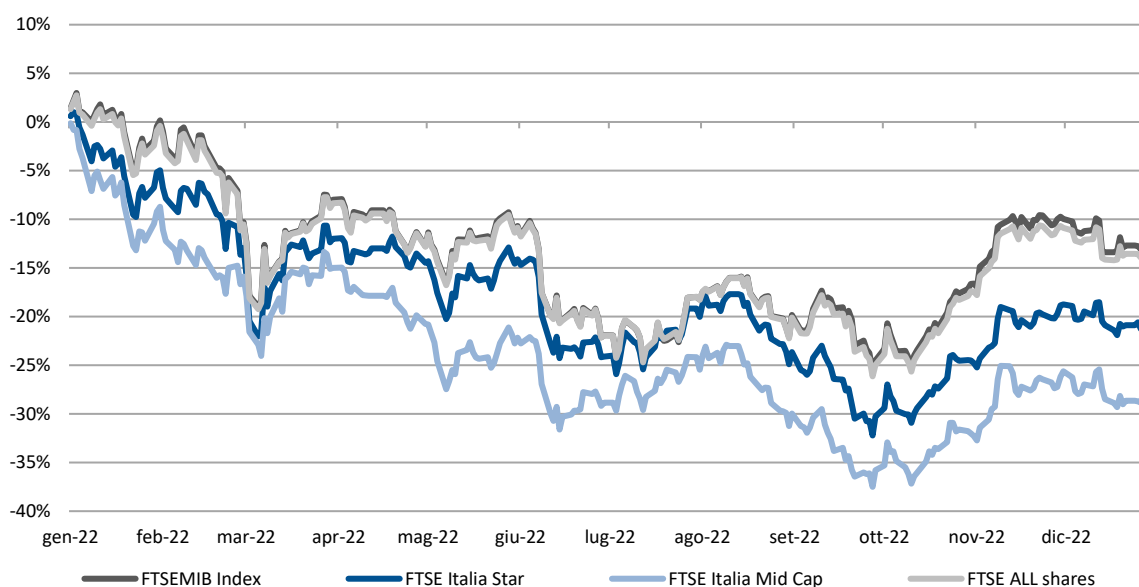
There were 9 capital raises and placements, which brought in a total of Eu4.8bn.

During 2022 23 companies de-listed, 19 of which were subject to a PTO (3 involving an acquisition by another listed stock), two on the request of the issuer, including EXOR (which de-listed from the Euronext Milan to retain a sole listing on the Euronext Amsterdam), and two due to the lack of a Euronext Growth Advisor.

At the end of 2022 total market capitalisation came to c.Eu615bn for the Euronext Milan, of which Eu47bn on the STAR segment, and c.Eu11bn for the 190 companies on the Euronext Growth Milan.

Below we outline the total returns of the main asset classes and yield trends for the main sovereign and corporate bonds.

TOTAL RETURNS – MAIN BORSA ITALIANA INDICES FY2022



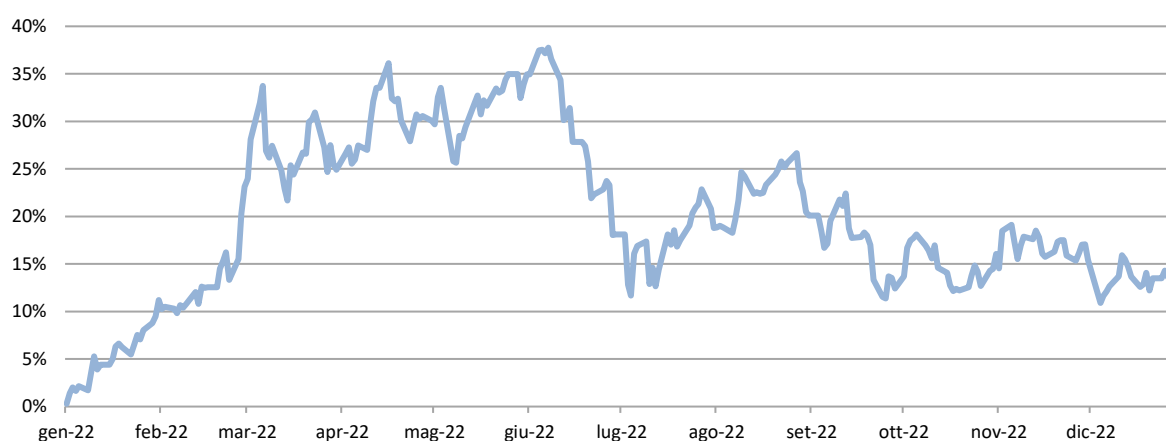
Source: Bloomberg

TOTAL RETURNS – GOVERNMENT SECURITIES AND INVESTMENT GRADE CORPORATE BONDS FY2022



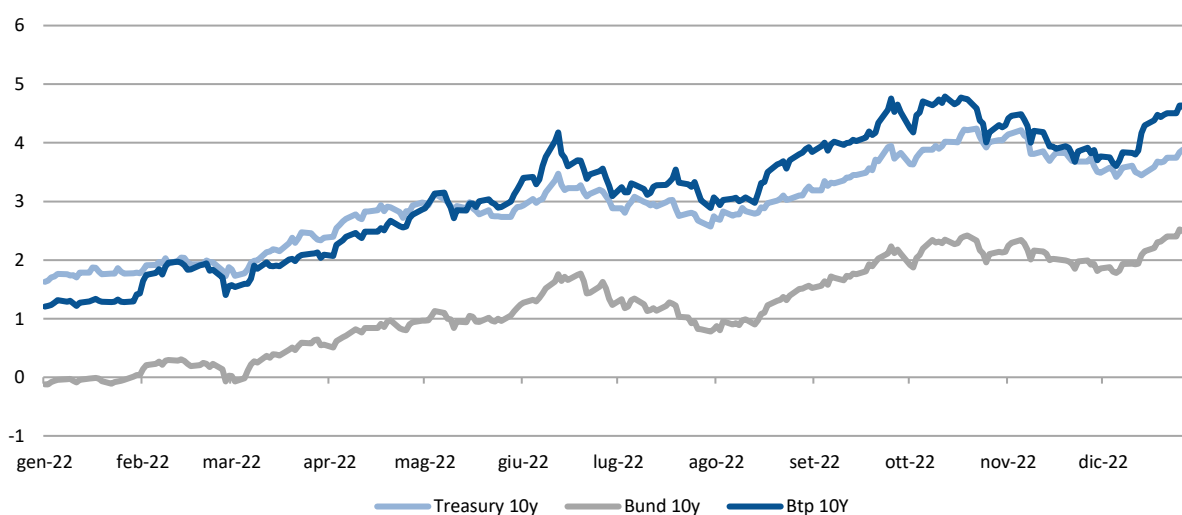
Source: Bloomberg

TOTAL RETURNS – BLOOMBERG COMMODITY INDEX FY2022



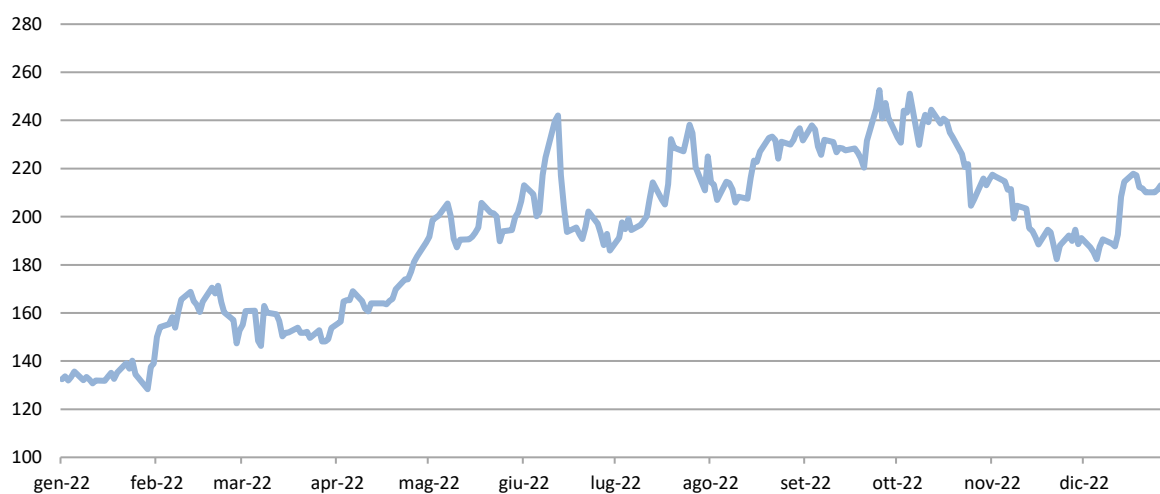
Source: Bloomberg

10-YEAR SOVEREIGN BOND YIELDS FY2022



Source: Bloomberg

BTP - BUND SPREAD FY2022



Source: Bloomberg

2023 macroeconomic prospects

Looking ahead to 2023, the global scenario remains characterised by risk factors such as developments in the war in Ukraine, as well as tensions between the US and China over Taiwan. Inflation will remain at the centre of attention, with a view to assessing the rate of decline and the subsequent reaction by central banks to both the definition of the terminal rate and the duration of the potential pause upon reaching the terminal rate.

Macroeconomic figures for January and early February 2023 showed an improvement in the economic trends in both the US and Europe. Specifically, in the US both actual figures (retail sales and labour market trends in January) and projections (especially the ISM services index) were better than expected. In the Euro zone, it was mainly the projections that exceeded expectations, especially the preliminary PMI and the IFO index in February.

On the inflation front, US figures slowed less than expected in January and February, while in the Euro zone core inflation continued to rise, reaching a new record of 5.6% in February.

As for Italy, the Eurostat opinion on the statistical recording (on an accrual, not a cash basis) of the so-called payable tax credits (i.e. those deriving from invoice discounts on bonuses for residential property renovations) sparked revisions that led to a deterioration in the deficit/GDP ratio, especially for 2021 and 2022, bringing it to 9% and 8% respectively in the final ISTAT amendment announced at the beginning of March 2023.

For its part, in February 2023 the government froze the possibility of discounts in invoices for new residential real estate works, until it can better define how to settle outstanding credits on works initiated before the freeze.

With regard to fiscal policy, on 17th January European Commission President Von der Leyen presented guidelines for the new Green Deal Industrial Plan, focused on the energy transition, in response to the US Inflation Reduction Act that came into force in January 2023. Details of the new EU plan are still to be defined, especially in terms of the funding size and method, which in general terms is likely to be directed through three main channels: 1) easing of state aid regulations; 2) use of resources set aside but as yet not requested by individual member states; 3) launch of a new European sovereign fund. On the European sovereign fund potentially very important for Italy, which has already requested the use of both lines of the recovery fund, namely loans and grants), the latest indications suggest that talks will get underway over the summer, along with the discussion of revisions to the 2021-27 EU Budget.

Finally, the 2023 political calendar is relatively lacking in major events. There are regional elections in Germany and Spain, and a Presidential election in Turkey. Nevertheless, 2023 will be important as preparation for 2024, which will be packed with elections, most notably the European Parliamentary elections and the US Presidential election.

At the point of completion of the drafting of these financial statements, a new crisis has emerged in the banking sector, starting in the USA then spreading to Europe with the troubles at Credit Suisse. We believe the European banking sector as a whole has never been as solid in terms of capital ratios, but at the moment it is hard to predict the outcome of this crisis for markets. The first impact could be to delay further interest rate hikes by central banks, but this new element adds notable uncertainty to a macro scenario that is already rather thorny.

Introduction

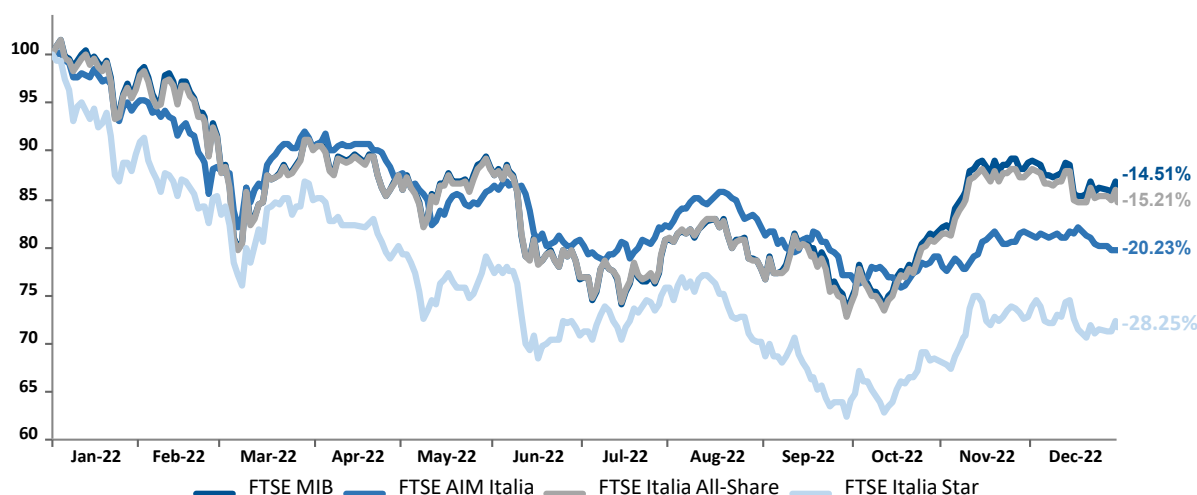
The Intermonte Partners SIM S.p.A. consolidated financial statements are made up of the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cashflows and explanatory notes for the year ending 31st December 2022.

Group Performance

Market trends

2022 was characterised by the end of the Covid-19 pandemic, the outbreak of war in Ukraine and the sharp rise in sovereign bond yields. Following positive market performances in 2021, which continued in January and early February, the war in Ukraine had a damaging impact on the market, with the main indices falling back sharply (FY22 performance: FTSE MIB -14.5%, FTSE STAR -28.3%), a decline that was only partially recovered from mid-October onwards.

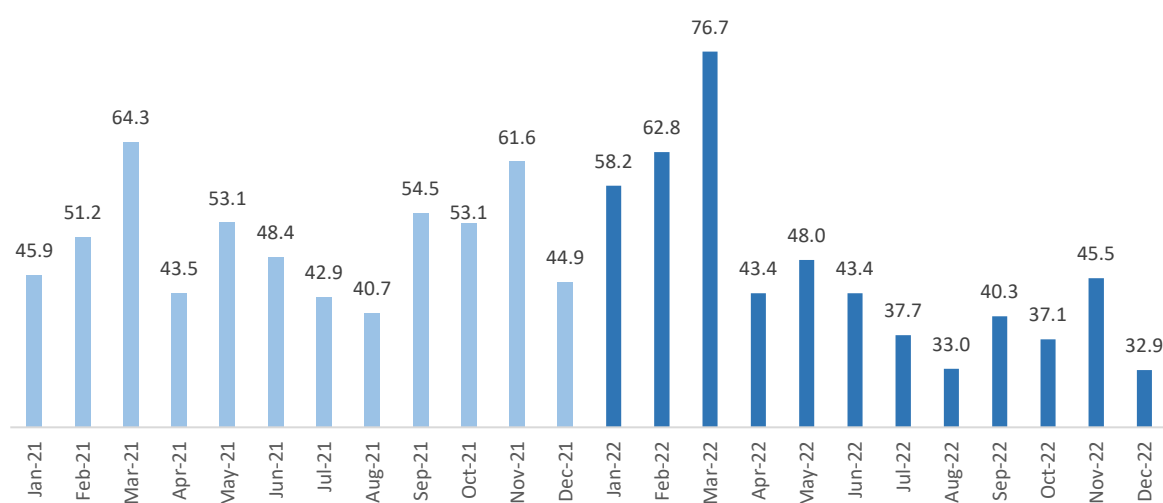
TRENDS IN MAIN BORSA ITALIANA INDICES



Source: FactSet (trends indexed to 03/01/2022)

In Italy, the FTSE Mib recorded a 14.5% decline, a similar performance to the FTSE Italia All Shares index (-15.2%). The FTSE Italia Star posted -28.2%, while the FTSE Italia AIM fell -20.2%. The Nasdaq100 closed the year down c.33%, compared to -14% for the Euro Stoxx600 index.

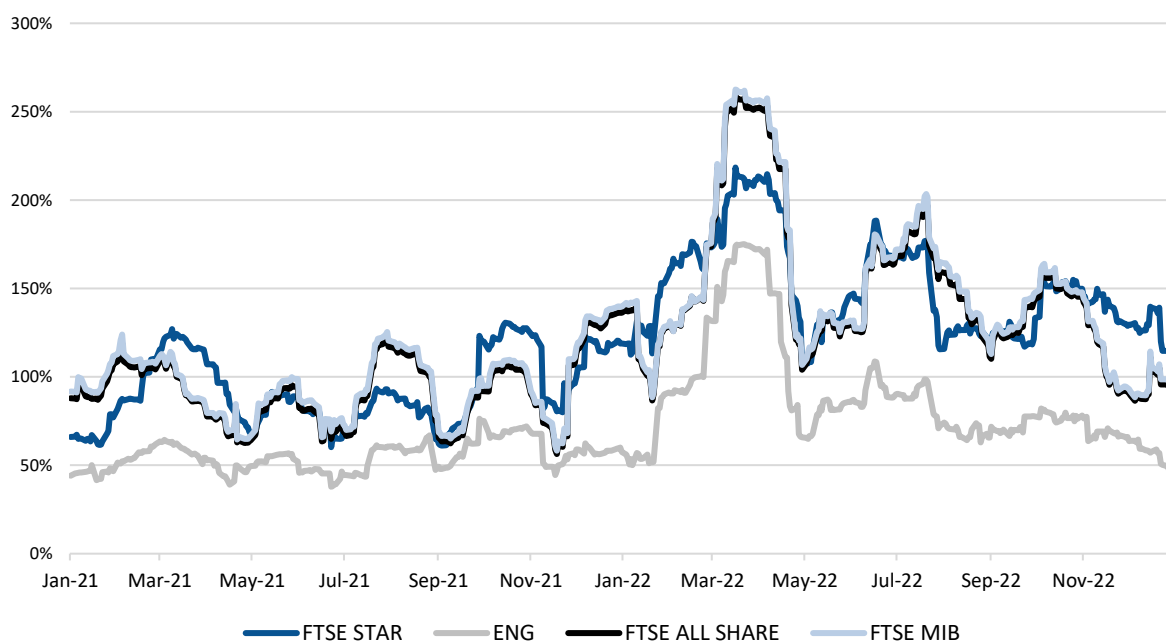
TOTAL 2022 TRADING VOLUMES ON BORSA ITALIANA (EU MN)



Source: Borsa Italiana - Borsa Italiana – Statistics on trading trends

In 2022 the value of trading on Borsa Italia came to c.Eu566bn, down 7.6% from Eu613bn in 2021. Trading in the early months of the year continued on the rising trend witnessed in 2021, peaking in March. The outbreak of war, and the subsequent geopolitical instability, caused a reduction in market trading, with the exception of the months of May, September and November, which featured newsflow on companies' quarterly reporting.

TRADING VOLATILITY ON MAIN BORSA ITALIANA INDICES (%)



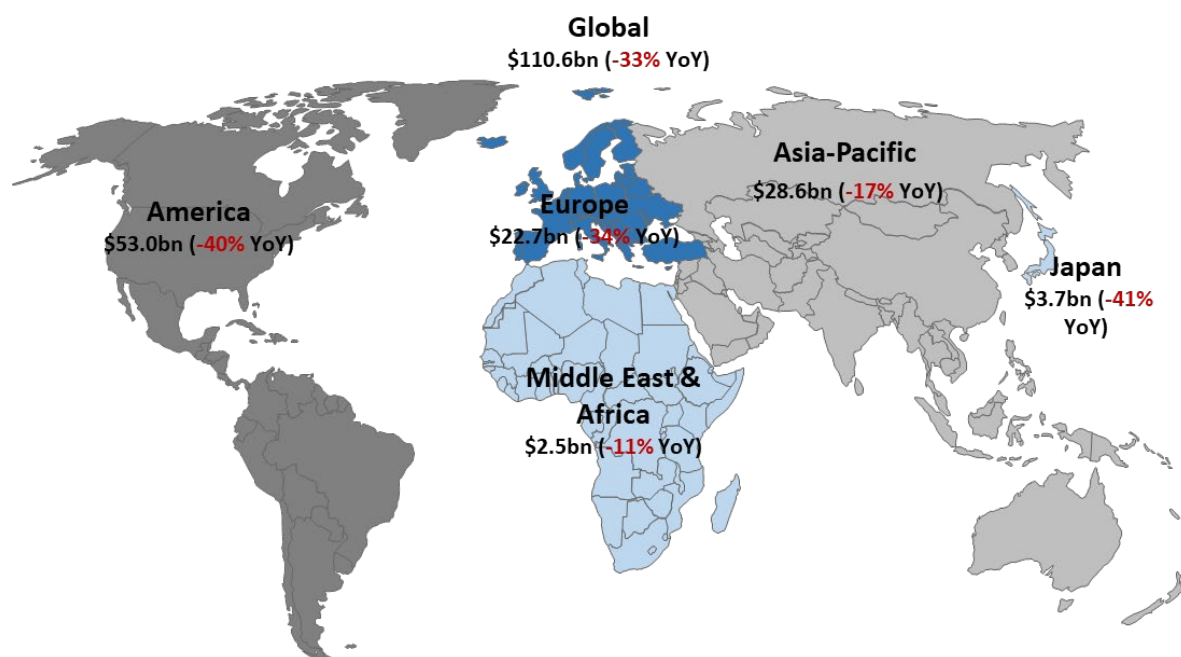
Source: FactSet – (P_OPT_HISTORICAL_VOL function) calculated at 30 days

During 2022, market volatility was higher on average than in 2021, especially from February onwards, following the outbreak of war in Ukraine. Volatility was particularly affected by the fall in market trading volumes, which helped accentuate both negative and positive index performances.

The capitalisation of the Borsa Italiana Euronext Milan market at the end of December 2022 was c.Eu615bn, of which Eu47bn on the STAR, and c.Eu11bn for the 190 companies on the Euronext Growth Milan.

The global M&A market suffered a brusque downturn, with investment banking fees falling c.33% in 2022 (source: Refinitiv), and Europe performing in line with the overall market. The macroeconomic uncertainty generated by the war in Ukraine and rising interest rate trends drove a reduction in extraordinary financial activity, leading to a contraction in both the value and number of Investment Banking deals completed in 2022.

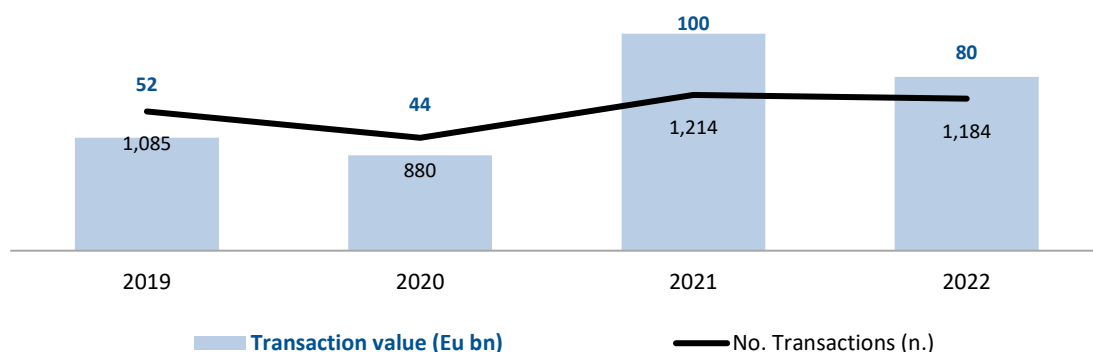
INVESTMENT BANKING FEE TRENDS BY AREA



Source: Refinitiv Deals Intelligence - European Investment Banking Review Full Year 2022

Nevertheless, the Italian Investment Banking market suffered a more limited decline than the European and global averages, with the overall value of transactions down c.20% vs. 2021, but still nearly double the amounts recorded in 2019 and 2020.

TRENDS IN ITALIAN M&A MARKET



Source: KPMG report on Italian M&A market

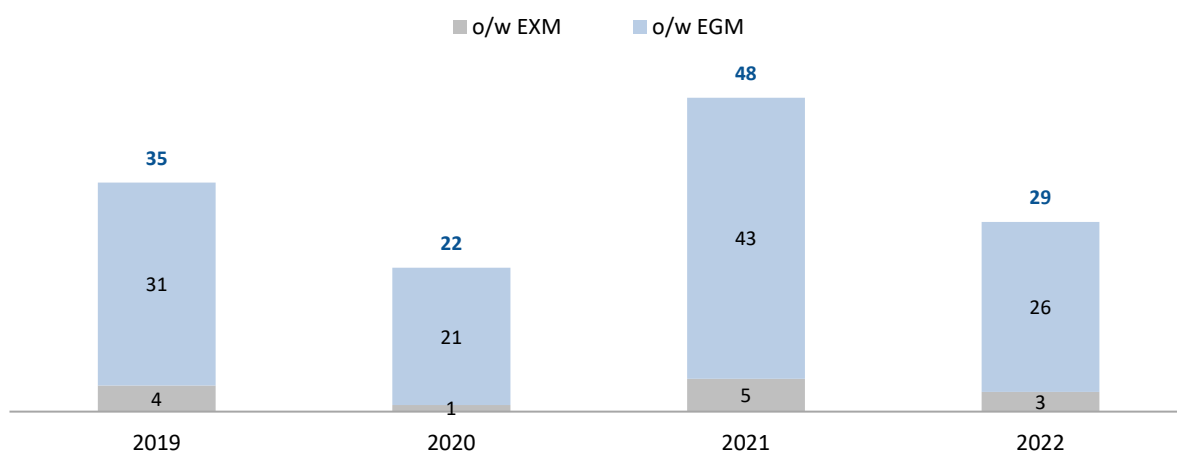
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There were 9 capital raises and placements, which brought in a total of Eu4.8bn.

In general, 2022 was characterised by a highly uncertain environment that had a global impact on the areas in which the group operates.

BORSA ITALIANA – NUMBER OF IPOs



Source: Published Borsa Italiana data

Operational income statement and revenue trends by business unit

The group closed 2022 with consolidated net profit of Eu6.6mn, down 8.8% from the 2021 figure.

The group closed 2022 with ROE of 14.5% while retaining a high level of capital, with the IFR Ratio (Investment Firm Regulation – as defined by Regulation (EU) no. 2033/2018, or Own Funds Ratio) at c.6.5x the minimum capital requirement.

Net income fell 8.8% vs. 2021, but earnings per share (EPS) only fell 8.1% thanks to the purchase of treasury shares on the market through the buyback plan during 2022.

Alternative performance indicators

	FY2021 ¹	FY2022	FY22 vs FY21 %
ROE (%)	15.5%	14.5%	(95)bps
ROTE (%)	15.5%	14.5%	(95)bps
Comp/revenues (%)	49.4%	47.9%	(152)bps
Cost/income ratio (%)	73.0%	72.7%	(37)bps
Tax rate (%)	26.1%	25.7%	(0.4)%
Number of employees (n.#)	135	136	0.7%
IFR RATIO	479.6%	653.5%	173.8%
T1 ratio = TCR (%)	38.4%	52.3%	13.9%
EPS ² (Eu per share)	0.2239	0.2057	(8.1)%
DPS (Eu per share)	0.2600	0.2600	0.0%

Note: 1. Alternative performance indicators for 2021 have been calculated on the consolidated adjusted net profit; 2. Calculated on the number of outstanding shares

The group's total net revenues were down 14.2%, with the contributions of the Investment Banking Division (30% of revenues), Digital Division & Advisory (10% of revenues), and S&T (36% of revenues) exceeding the average, while the Global Markets division (24% of revenues) experienced a larger decline, partly due to the comparison with an exceptional result in FY21.

Condensed Income Statement

(Eu mn)	FY2021	FY2022	FY22 vs FY21 %
Sales & Trading	15.9	13.6	(14.7)%
Investment Banking	11.4	11.2	(2.2)%
Global Markets	13.0	9.1	(29.9)%
Digital Division & Advisory	3.4	3.7	7.3%
TOTAL NET REVENUES	43.8	37.6	(14.2)%
Personnel expenses (1)	(21.6)	(18.0)	(16.9)%
Other operating expenses (2)	(10.4)	(9.3)	(10.1)%
Total costs	(32.0)	(27.3)	(14.7)%
Consolidated pre-tax profit	11.8	10.3	(13.0)%
Taxes and duties	(3.1)	(2.6)	(14.3)%
Tax rate	26.1%	25.7%	
Consolidated net profit pre-minorities	8.7	7.6	(12.6)%
Profit (Loss) attributable to minority equity interests	(1.5)	(1.1)	(30.5)%
Consolidated net profit	7.2	6.5	(8.8)%

(1) This item includes remuneration of executive directors but excludes remuneration of non-executive directors and statutory auditors; (2) This item includes remuneration of non-executive directors, statutory auditors, depreciation/amortisation and net impairment losses on tangible and intangible assets, and operating income and expenses

Sales & Trading (S&T)

In 2022 the Sales & Trading division, which carries out trading activity on behalf of third parties, closed with revenues of Eu13.6mn (36.2% of group revenues), down 14.7% year-on-year (from Eu15.9mn in FY21).

The division's activity was affected by the reduction in trading volumes in various markets, especially Borsa Italiana, but on average it outperformed its key markets, helped by the diversification into the bond segment, which generated a positive contribution. The decline in trading was starker in the less liquid mid/ small cap segment, where the company has a particularly strong market positioning. For example, the value of trading on the STAR segment was down 34% YoY (to Eu20.5bn from Eu31.1bn in 2021), while EGM volumes fell 35% (to Eu3bn from Eu4.5bn the previous year).

Within trading activity on clients' account, there was a particularly positive contribution from the Bond segment and revenues from MiFID-compliant services linked to research. The decline in trading revenues on the Italian market was affected by the general downturn in volumes, although the desk comfortably outperformed the average overall decline, which as mentioned above was particularly accentuated in the mid/small caps segment, in which the company has a strong presence.

Indeed, the company confirmed its strong positioning in Mid/Small Cap trading, as highlighted by the market share in trading on clients' account on the Euronext Growth Milan market, which remained close to 10% in 2022 (Source: Assosim).

In 2022, the Sales & Trading business unit served c.1,000 active clients, an increase from 750 clients in 2021. Of these, over 40% are based on foreign markets, mainly the United Kingdom, other EU member states and the United States of America.

Notably, there was a significant recovery in trading commissions coming from clients in the USA.

Among the recognition won by the Sales & Trading team during the year, the standout was the second place in Trading & Execution – Italy, obtained in the Institutional Investor rankings.

Equity Research

During 2022, the activity of the Equity Research department was confirmed as a fundamental strategic component of the SIM's brokerage business and as a key product for relations with the client base. During the year the team continued to operate a hybrid regime of remote and office-based working in order to meet the needs of analysts and improve productivity.

The make-up of the research team remained fairly constant over the year, with the very limited turnover having positive repercussions on operational continuity and the strengthening of relations with both clients and issuers. As well as the usual morning report, the Research department provided the Group's clients with regular timely updates on issuers and sector reports with a more strategic focus, particularly on domestic and international issues affecting the Italian market, as well as in-depth thematic reports on specific segments of the Italian market, such as tech/digital, for example. In 2022, total Research department production came to over 680 reports for a total of over 5,800 pages.

The recognition won by the Equity Research team during the year included a third place in Italian Mid Small Caps Research in the Institutional Investor rankings.

The organisation of events and company presentations steadily improved, despite the lingering after-effects of the public health crisis. The organisation of in-person events bringing together the management of listed companies and investors also staged a recovery, with significant interest in the annual 'Le Eccellenze del Made in Italy event', held in Rome in September last year, which attracted an increasing number of Italian small and mid-cap companies, with strong investor participation. The event demonstrates Intermonte's constant commitment to enhancing visibility on listed SMEs and meets with warm appreciation from the financial community.

During the year the company continued to organise opportunities for issuers and investors to meet remotely thanks to the use of more effective technological instruments. There was also a return of in-person events organised in partnership with prestigious institutions, such as the

partnership with Borsa Italiana for the 'Italian Equity Week', a week of meetings dedicated to listed Italian companies, which peaked with the Infrastructure Day, which for some years now has welcomed the participation of the largest Italian infrastructure companies. Intermonte also participated in Borsa Italiana's sustainability initiatives, such as the 'Italian Sustainability Week' in June, which was again held in a virtual format. The partnership with Milan Polytechnic University Management Engineering Department's School of Management also continued, culminating in the production of thematic Research Dossiers on arguments of particular interest for the Italian financial market. The sixth edition of this dossier was published in March 2022, dedicated to the analysis of listing and de-listing transactions on the Italian market, an issue currently in the spotlight that generated notable interest both from investors and the media.

The overall environment continued to feel the negative effects of the introduction of MiFID 2 regulations, which had a structural impact on the volume and quality of research on small and mid-cap stocks. Despite the gradual emergence from the pandemic, 2022 was negatively affected by the adverse geopolitical environment, and the outbreak of war in Ukraine in particular. The war triggered a negative investor reaction to Europe and favoured a continuation of de-listings of companies from regulated markets. 2022 therefore proved to be a particularly difficult year for trading activity, but Intermonte nevertheless renewed its efforts and commitment to providing a copious amount of high-quality research into small and mid-cap issuers, setting the company apart from its rivals. The Research Department initiated coverage on 9 new stocks during 2022, and was actively covering more than 120 stocks at the end of the year.

During the year, Intermonte continued its intense marketing activity on behalf of investors and in support of issuers, organising c.210 roadshows and c.3,000 meetings with investors.

Investment Banking (IB)

The Investment Banking business unit (30% of total revenues) posted revenues of Eu11.2mn, broadly in line with 2021 in spite of the very challenging market environment, which deteriorated significantly in the final months of the year. This result was achieved thanks to a healthy increase in M&A and Advisory activity, which more than offset the marked decline in Equity Capital Markets activity, seriously suffering in Italy and globally from the highly complex geopolitical and macroeconomic environment. Nevertheless, Intermonte managed to complete some important ECM deals in 2022, acting as Sponsor and Joint Global Coordinator in the listing of Civitanavi, a manufacturer of stabilisation and navigation systems, on the MTA/Euronext Milan market, the first of just three listings on regulated markets in 2022. Intermonte also successfully acted as Placement Agent, ECM Adviser and Co-Lead manager in the Eu140mn GPI rights issue.

In M&A advisory, Intermonte fulfilled various important roles, confirming the company's position as a leading independent advisor on the Italian market. Among the main operations we highlight the role of advisor to Howden Group Holdings in its purchase of Assiteca, a deal in which Intermonte also acted as the dedicated broker for the public offer that led to the delisting of Assiteca shares; advisor to CY4Gate in its purchase of RCS; advisor to Growens for its acquisition of Contact Lab; advisor to Supercap in the disposal of the company to Enoflex; advisor to GPI in its purchase of Tesi; advisor to Omnisyst in the disposal of the company to Algebris Green Transition Fund; advisor to BE in relation to the PTO promoted by Engineering. Finally, among the deals announced during 2022 and completed after 31st December was the purchase of TWT by Unidata, in which Intermonte acted as advisor to the buyer.

Finally, the company maintained a strong positioning in Corporate Broker and Specialist activity, covering over 50 companies, including 22 listed on the STAR segment.

Global Markets (G&M)

The Global Markets business unit closed 2022 with revenues of Eu9.1mn (24.2% of total revenues) down 29.9% vs. 2021 (Eu13.0mn). 2022 faced a tough comparison with 2021, which was a record year for the division, and activity in this area was affected by a more cautious approach by investors following the outbreak of war in Ukraine. The second half of the year showed improving trends compared to the first half. It is worth noting the good performance in CO₂ credits and the fixed income area, which benefited from renewed investor interest, especially in the final quarter following the yields reached by many issuances on the market.

The results achieved by the division came with a minimal level of risk, as demonstrated by the low impact on revenues from Directional Trading, which came to c.4% of the business unit's revenues.

Digital Division & Advisory (DD&A)

Revenues for the DD&A business unit (9.8% of total revenues) grew 7.3% to Eu3.7mn (Eu3.4mn in 2021). The digital division's commercial activity with the financial advisors' segment continued to track a positive trend, while the offer of advisory products was expanded. 2022 featured a further strengthening of the structure with the addition of 4 new resources, including a new joint head of the division who began the rebranding and relaunch of the Websim site, which was completed in the early months of 2023. The Websim project represents a key strategic step for the division, and will allow a refresh of Intermonte's digital offer to bring it up to date, adding numerous products and services for clients. In addition to the increase in the products and services made available to retail investors and financial consultants, the services provided to small and mid-sized issuers will also be improved and expanded; at the

moment these are the only companies growing significantly in numerical terms on the EGM segment of Borsa Italiana.

The area supporting financial advisors and private bankers also continued to show good growth trends, confirming the validity of Intermonte's proposal as an independent consultant in the search for investment solutions such as certificates or ETFs.

The Advisory section also continued the growth trends witnessed in previous years, supported by a greater diffusion in the use of digital tools and thanks to the addition of a new team that offers consultancy to the treasury departments of small/mid-sized financial institutions and/ or companies on the management of treasuries and fixed-income products.

Costs

Intermonte closed 2022 with costs down sharply, by 14.7% to Eu27.3mn (Eu32.0mn in FY21), decreasing at a faster rate than revenues. The cost/income ratio came to 72.7%, in line with the average for the preceding three years.

Personnel costs came to Eu18.0mn, down 16.9% vs. 2021. The reduction in personnel costs was greater than the drop in revenues, with the Total Compensation/ Revenues ratio (which factors in total employee compensation) at 47.9%, compared to 49.4% in 2021 (a year affected by extraordinary remuneration linked to the IPO). The fixed component of salaries increased during 2022 due in part to the arrival of new professionals, including a new COO and Head of Digital in the DD&A area. The Group also introduced a new company welfare plan for 2022, which was further strengthened through the choice of a specialist provided in January 2023.

The overall headcount increased by 1 employee in 2022, with 13 new recruits and 12 departures.

Other operating expenses fell 10.1% to Eu9.3mn. In particular, there was a mid-single-digit increase in IT spending, an area in which the company continues to invest, mainly in support of the S&T and GM areas, as well as the DD&A division. The company has managed to make significant savings in general expenses, even net of the costs incurred for the IPO in 2021.

Consolidated net profit

The group closed 2022 with consolidated net profit of Eu6.6mn, down 8.8% vs. 2021 (Eu7.2mn). EPS, calculated on the number of shares in circulation, came to Eu0.2057, down 8.1%, less than the decrease in consolidated net profit thanks to the impact of the buyback carried out during the year.

The 25.7% tax rate was broadly in line with the previous year (26.1%).

Consolidated Statement of Financial Position

The following pages show the group's main balance sheet data as at 31st December 2022, with a comparison to the same figures at the end of 2021. The items were reclassified based on the nature of the underlying asset or liability. Consolidated shareholders' equity does not include any goodwill.

Condensed Consolidated Statement of Financial Position

(Eu mn)	FY2021	FY2022	FY22 vs FY21 %
Assets			
Financial assets	308.5	178.6	(42.1)%
Property and equipment	4.5	3.6	(20.9)%
Intangible assets	0.1	0.1	54.9%
o/w goodwill	-	-	n.s.
Other assets	19.2	20.6	7.0%
Total Assets	332.3	202.9	(38.9)%
Liabilities and equity			
Liabilities			
Financial liabilities	245.9	122.6	(50.1)%
Other liabilities	22.5	18.4	(18.4)%
Total Equity	63.9	61.9	(3.1)%
Shareholders' Equity	53.8	51.8	(3.6)%
Minority equity interests	10.1	10.0	(0.4)%
Total liabilities and equity	332.3	202.9	(38.9)%

Assets

Financial assets measured at fair value through profit or loss came to c.Eu85.5mn, down ~Eu50.9mn from the figure at 31st December 2021. In light of the Group's activity this item is entirely comprised of assets held for trading, and can undergo significant variations linked to trends in the Group's brokerage activity. The decrease in these assets was driven by the decrease of c.Eu48.4mn in positions on equity securities. This is in line with the decrease in average volumes traded on Borsa Italiana and the reduced activity in GM.

The proprietary portfolio is largely represented by operations on the Market Making and Specialist portfolio.

Financial assets measured at amortised cost came to Eu93.1mn, down ~Eu74.8mn on the previous year. This change is largely attributable to the Eu54.4mn reduction in deposits with the central clearing house (Cassa di Compensazione e Garanzia - CCG).

Property and equipment, principally relating to leasing of the company offices and IT equipment, fell by c.Eu0.9mn, mainly due to the impact of the reduction in the right of use of the company offices (which is leased and accounted according to IFRS 16 accounting principles).

Intangible assets came to Eu0.1mn, comprising Eu94k in capitalised software, while goodwill was at zero ("0") (Intermonte has no goodwill on its investments booked in its accounts).

The **Other assets** item, which grew significantly YoY, was affected by some reclassifications relating to deposits in the Deposit Default Fund at CCG. The changes, on a like-for-like basis, predominantly relate to: the tax credit of c.Eu0.2mn linked to the listing, and tax credits of c.Eu0.2mn linked to virtual stamp duty.

Liabilities

Financial liabilities measured at amortised cost decreased by over Eu92mn. This change is predominantly due to a reduction in unsettled transactions with various counterparties for Eu54mn and a decrease in bank financing for Eu33.8mn.

Finally, the item in question comprises balances relating to leasing debts, in accordance with the IFRS 16 principle.

Financial liabilities held for trading came to Eu66.6mn, down by Eu31.1mn. The reduction is driven by a reduction in financial derivatives held for trading as a result of lower Borsa Italiana trading volumes in the final days of the year and subsequent drop in activity.

Other liabilities posted a reduction of c.Eu4.4mn, driven by a reduction in amounts due to employees and freelancers for c.Eu4.2mn relating to accruals of past bonuses.

The **post-employment benefits fund** grew slightly to Eu0.1mn in line with provisions for the year.

Provisions for risks and charges contain the deferred portion of variable remuneration pending for employees.

As at 31st December 2022, the Intermonte Partners SIM S.p.A. **Share Capital** amounted to Euro 3,290,500 for 36,195,500 shares, without any indication of nominal value. **Treasury shares** amounted to ~Eu8.6mn (4,278,946 shares, corresponding to 11.8% of the share capital) an increase from 31st December 2021 following the buyback of 282,684 shares starting from March 2022, net of 54,742 shares awarded to Top Management as an IPO bonus. At the end of 2022 Intermonte did not have any **share premium reserves**, while **Other reserves** came to Eu50.5mn, down Eu0.7mn YoY due mainly to the impact of a payout in excess of 100% and the impact of the incentive plan realised partly through payments based on financial instruments.

Minority equity interests, at 31st December 2022, came to Eu10.0mn, down slightly by Eu0.1mn from the previous year.

Consolidated shareholders' equity came to Eu51.7mn at 31st December 2021, (Eu53.8mn net of minorities).

Main initiatives

Main business initiatives

2022 saw Intermonte continue to implement various initiatives thanks to the increased visibility generated by the listing on the Euronext Growth market on 21st October 2021, and the launch of some new projects.

Among the Group's main structural and organisational/ functional adjustments and new business initiatives, we highlight:

- The arrival of a new Advisory team offering consultancy to treasury offices at small/mid-sized financial institutions and/ or specialist managers of treasury and fixed-income securities. This team joined the DD&A division with the aim of increasing Intermonte's exposure to consultancy in the bond segment;
- Intermonte Group joining the new SPECTRUM market for certificates trading;
- Arrival of a new COO, Alberto Schiesaro, with lengthy experience in the financial brokerage (SIM) sector, with the aim of further enhancing the efficiency of the Group's processes;
- Arrival of a new Joint Head of DD&A, Stefano Alberti, a Professor at Bocconi University where he covered topics related to innovation and the development of digital strategies, thanks in part to his involvement with the Bocconi SpeedMiUp incubator and with Business Angel associations. Alberti will drive the enhancement of the Group's digital channels, in line with the strategic objectives announced at the time of the IPO.
- In September 2022 the BoD approved the Group's FY21 Sustainability Report, the first such report compiled by the group on a voluntary basis, confirming its investment in ESG topics both as a service to the Group itself and to its clients.
- The success of the "Le Eccellenze del Made in Italy" event continued. The event once again brought together a number of excellent listed Italian companies, who met with many institutional investors.
- In 2022 the Group continued to support the Intermonte Foundation. The Intermonte Foundation's Youth Project was created in October 2021 by Chairman and founding shareholder Sandro Valeri. It is a non-profit initiative, with the charitable and socially useful purpose of providing direct financial contributions to help finance university studies and entry into the world of work for deserving young students from disadvantaged backgrounds. The Foundation issued its first 10 study grants to students at Milan's Polytechnic University during 2022. Through this Foundation, the group also hopes to enhance gender equality, with female employees currently underrepresented in the financial sector.

- During 2022 the group launched its Welfare 2022 plan, with an initial simplified version involving the provision of shopping vouchers through the provider Sodexo during 2022. In the meantime, the Welfare plan was refined, with the publication of the Welfare policy that envisages the provision, through Edenred, of a wider Welfare scheme that includes subsidies for spending on cultural activity, travel, education, health, etc.
- The Group continued to invest in qualified personnel, especially in strategic areas with the greatest potential, with the recruitment of 13 additional resources.
- During the 2022 financial year the Bank of Italy carried out an inspection as part of its ordinary supervisory activity. The Group subsequently implemented the actions identified during the inspection.

Relevant events occurring after the reporting date

The macro and market environment remained uncertain in the early months of 2023. In this scenario, the company is counting on increasing diversification of its revenue sources.

Two ABB transactions were completed in the first few months of the year, notably the placement of a total of over Eu43mn of Azimut shares. Intermonte also acted as the financial advisor supporting Growens in the disposal of its Email & Messaging Applications Service Provider business to the TeamSystem group. The deal had an Enterprise Value of Eu70mn.

Within S&T activity the Group continued its intense marketing activity with an event dedicated to English-speaking investors held in London in January, as well as various roadshows dedicated to individual companies, held both in person and online.

The new Websim site was launched in March, which after a wide-ranging refresh of the technological component and the provision of an increasingly rich stream of content, should make a strong contribution to the growth of the DD&A division.

In January the Welfare 2023 plan was launched for group employees, featuring a significant enhancement of both the content and amounts issued compared to the 2022 plan.

Among the groups important learning objectives, including for ESG/ Sustainability purposes, during 2022 the BoD approved a new training plan that is coming into effect in the early months of 2023. Specifically, the company has identified the e-learning platform that will provide the training hours (enabling traceability).

Outlook

The early months of the year showed a continuation of highly volatile market trends and considerable risk aversion from investors. In this environment, the company believes that it can continue to outperform its reference markets in the S&T and GM areas, while retaining a limited risk profile thanks to its diversification. The Investment Banking pipeline for the current year is very solid. Investments in personnel and technology should enable DD&A to continue to grow throughout the year. During 2023 Intermonte will continue to pursue its strategy of diversifying and growing the products and services offered in all business areas, with a particular focus on Investment Banking and Digital Division & Advisory activity.

Other Information

Research and development

Pursuant to art. 2428 parag. 3, point 1) of the Civil Code, Intermonte Partners, through the Equity Research team, conducts ongoing professional research on: i) publicly listed companies, with a particular focus on those listed on the Italian Stock Exchange; ii) ESG themes; and iii) macro-economic trends. Numerous papers, research documents, reports etc. are produced on these topics, some of which on a regular basis (such as the monthly Mid Small Caps report).

The following table summarises the output of Intermonte Equity Research in 2022.

	2022
Stock-Specific Research Notes	636
IPOs & Business Combinations	1
Sector Reports	11
IES Monthly	12
Mid / Small Caps Monthly	12
Equity Focus & Strategy Reports	13
Sustainability Report	-
Total production	685

Dealings with Related Parties

Pursuant to art. 2428, para. 3, point 2 of the Civil Code, we hereby declare that recurring dealings between related parties that occurred during 2022 are attributable to investment relationships, contracts for the performance of infragroup services, and the secondment of personnel, with Intermonte SIM S.p.A.

– Intermonte

In addition:

- key management personnel, i.e., those persons, including directors and members of the board of statutory auditors, having the authority and responsibility to directly or indirectly manage and control the activities of the Parent company;
- close family members of the persons referred to above, i.e., those persons who can be expected to influence or be influenced in their dealings with the Company (this category can include the partner, children, children of the partner, dependents of the person in question and of their partner) as well as subsidiaries, jointly-controlled subsidiaries, and associate companies of one of such persons;

For further information please consult the relevant section of the explanatory note.

Branch offices

Intermonte Partners SIM does not possess branch offices.

Changes in treasury shares

In compliance with the provisions of article 2824, paragraphs 3 and 4 of the Italian Civil Code, we hereby disclose information on the treasury shares held.

As at 31st December 2022 there were 4,278,946 treasury shares, the cost of which, at Euro 8,562,137, was deducted from shareholders' equity, corresponding to c.12% of the share capital. The number of treasury shares held increased compared to 31st December 2021 following the buyback executed from March 2022 on 282,684 shares, net of the 54,742 shares allocated to Top Management in relation to the IPO bonus.

The company has a buyback plan in place, expiring on 31.03.2023, and will distribute shares to Group personnel as part of their variable remuneration, in accordance with Intermonte's Remuneration Policy and Practices. Following these transactions it is estimated that the number of treasury shares held at the date of the AGM will be 4,057,783.

A request will be made at the shareholders' meeting called upon to approve the financial statements for a reduction in the number of shares to 32,300,000 through the cancellation of 3,895,500 treasury shares, and the purchase of treasury shares up to a maximum of 3.8% of the new number of shares comprising the share capital.

Intermonte SIM S.p.A. holds no shares in the Parent Company.

Consolidated Financial Statements

Statement of Financial Position

	Assets	31 12 2022	31 12 2021
10	Cash and cash equivalents	13,098,468	12,837,322
20	Financial assets measured at fair value through profit or loss	85,473,207	136,325,760
	a) financial assets held for trading	85,473,207	136,325,760
	b) financial assets designated at fair value	-	-
	c) other financial assets mandatorily measured at fair value	-	-
30	Financial assets measured at fair value through other comprehensive income	-	-
40	Financial assets measured at amortised cost:	93,119,263	167,903,633
	a) loans and receivables with banks	19,506,605	36,297,282
	b) loans and receivables with other financial institutions	69,427,013	123,809,994
	c) loans and receivables with customers	4,185,645	7,796,357
70	Equity investments		
80	Property and equipment	3,586,274	4,532,971
90	Intangible assets	94,309	60,865
	of which :		
	- goodwill	-	-
100	Tax assets	5,769,171	5,727,064
	a) current	4,316,262	4,432,357
	b) deferred	1,452,909	1,294,707
130	Non-current assets held for sale and disposal groups	-	
120	Other assets	1,754,682	4,903,082
	TOTAL ASSETS	202,895,374	332,290,697
	Liabilities and equity	31 12 2022	31 12 2021
10	Financial liabilities measured at amortised cost	55,979,440	148,169,853
	a) liabilities	55,979,440	148,169,853
	b) securities issued	-	-
20	Financial liabilities held for trading	66,643,514	97,747,735
60	Tax liabilities	2,810,125	4,181,824
	a) current	2,738,187	4,095,149
	b) deferred	71,938	86,675
80	Other liabilities	11,421,738	15,006,917
90	Post-employment benefits	127,769	92,377
100	Provisions for risks and charges	4,128,361	3,241,798
	c) other provisions for risks and charges	4,128,361	3,241,798
110	Capital	3,290,500	3,290,500
120	Treasury shares (-)	(8,562,137)	(7,909,950)
130	Equity instruments	-	-
140	Share premium	-	-
150	Reserves	50,482,348	51,188,417
170	Profit (Loss) for the year	6,537,593	7,196,024
180	Equity attributable to minority interests	10,036,123	10,085,202
	TOTAL LIABILITIES AND EQUITY	202,895,374	332,290,697

Income Statement

	Items	31 12 2022	31 12 2021
10	Net trading income	3,553,959	10,166,772
50	Fee and commission income	28,433,323	32,301,595
60	Fee and commission expenses	(1,003,125)	(2,683,718)
70	Interest and similar income	723,391	610,011
80	Interest and similar expense	(1,371,720)	(2,487,321)
90	Dividends and similar income	7,978,590	5,994,382
110	TOTAL INCOME	38,314,418	43,901,721
120	Net value adjustments for credit risk relating to:	(146,930)	24,591
	<i>b) financial assets measured at amortised cost</i>	(146,930)	24,591
130	NET INCOME FROM FINANCIAL TRANSACTIONS	38,167,488	43,926,312
140	Administrative expenses	(27,409,388)	(30,970,351)
	<i>a) personnel expenses</i>	(18,235,071)	(21,831,693)
	<i>b) other administrative expenses</i>	(9,174,317)	(9,138,658)
150	Net accruals to provisions for risks and charges	-	-
160	Depreciation and net impairment losses on property and equipment	(987,664)	(975,688)
170	Amortisation and net impairment losses on intangible assets	(70,714)	(70,373)
180	Other operating income and expenses	550,112	(90,643)
190	OPERATING COSTS	(27,917,654)	(32,107,055)
200	Profit (Loss) from equity investments	-	-
240	PRE-TAX PROFIT (LOSS) FROM CONTINUING OPERATIONS	10,249,834	11,819,257
250	Income Tax	(2,647,429)	(3,085,869)
260	POST-TAX PROFIT (LOSS) FROM CONTINUING OPERATIONS	7,602,405	8,733,388
270	Post-tax profit (loss) from discontinued operations	-	-
280	PROFIT (LOSS) FOR THE YEAR	7,602,405	8,733,388
290	Profit (Loss) for the year attributable to minority interests	1,064,812	1,537,364
300	PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE PARENT COMPANY	6,537,593	7,196,024

Statement of Comprehensive Income

	Items	31 12 2022	31 12 2021
10.	Profit (Loss) for the year	7,602,405	8,733,388
	Items, net of taxes, that will not be reclassified to profit or loss		
20.	Equity securities designated at f.v. through other comprehensive income	-	-
30.	Financial liabilities designated at f.v. through profit or loss. (changes in credit rating)	-	-
40.	Hedging of equity securities designated at f.v. through other comprehensive income	-	-
50.	Property and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	-	-
80.	Non-current assets held for sale and disposal groups	-	-
90.	Share of fair value reserve for equity-accounted investees	-	-
	Items, net of taxes, that are or may be reclassified to profit or loss		
100.	Hedge of investments in foreign operations	-	-
110.	Translation differences	-	-
120.	Cash flow hedges	-	-
130.	Hedging instruments (non-designated items):	-	-
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	-	-
150.	Non-current assets held for sale	-	-
160.	Share of fair value reserve for equity-accounted investees	-	-
170.	Other comprehensive income net of taxes	-	-
180.	Total comprehensive income (items 10+170)	7,602,405	8,733,388
190.	Total consolidated comprehensive income attributable to minority interests	1,064,812	1,537,364
200.	Total consolidated comprehensive income attributable to the parent company	6,537,593	7,196,024

Statement of Changes in Equity 31 12 2022

	Balance as at 31/12/2021	Adjustment to opening balance	Balance as at 01/01/2022	Allocation of prior year profit		Changes in the year							Group equity as at 31/12/2022	Equity attributable to minority interests as at 31/12/2022
				Reserves	Dividends and other allocations	Changes in reserves	Equity transactions					Consolidated comprehensive income for 2022		
							New shares issued	Repurchase of treasury shares	Extraordinary dividend distribution	Extraordinary change in capital	Other changes			
Share capital	3,291	-	3,291	-	-	-	-	-	-	-	-	-	3,291	6,500
Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	1,415
Reserves														
a) income-related	38,322	-	38,322	-	-	(1,317)	-	-	-	-	-	-	37,005	1,723
b) other	12,866	-	12,866	-	-	612	-	-	-	-	-	-	13,478	
Valuation reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	707
Treasury shares	(7,910)	-	(7,910)	-	-	-	-	(652)	-	-	-	-	(8,562)	(1,374)
Profit (Loss) for the year	7,196	-	7,196	-	(7,196)	-	-	-	-	-	-	6,538	6,538	1,065
Group equity	53,765	-	53,765	-	(7,196)	(705)	-	(652)	-	-	-	6,538	51,750	-
Equity attributable to minority interests	10,085	-	10,085	-	(1,537)	424	-	-	-	-	-	1,065	-	10,036

Statement of Changes in Equity 31 12 2021

	Balance as at 31/12/2020	Adjustment to opening balance	Balance as at 01/01/2021	Allocation of prior year profit		Changes in reserves	Changes in the year						Group equity as at 31/12/2021	Equity attributable to minority interests as at 31/12/2021
				Reserves	Dividends and other allocations		New shares issued	Equity transactions				Consolidated comprehensive income for 2021		
								Repurchase of treasury shares	Extraordinary dividend distribution	Extraordinary change in capital	Other changes			
Share capital	3,291	-	3,291	-	-	-	-	-	-	-	-	-	3,291	6,500
Share premium	-	-	-	-	-	-	-	-	-	-	-	-	-	1,415
Reserves														
a) income-related	47,446	-	47,446	-	-	(9,124)	-	-	-	-	-	-	38,322	1,300
b) other	12,866	-	12,866	-	-	-	-	-	-	-	-	-	12,866	
Valuation reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	707
Treasury shares	(1,392)	-	(1,392)	-	-	-	-	(6,518)	-	-	-	-	(7,910)	(1,374)
Profit (Loss) for the year	7,752	-	7,752	-	(7,752)	-	-	-	-	-	-	7,196	7,196	1,537
Group equity	69,963	-	69,963	-	(7,752)	(9,124)	-	(6,518)	-	-	-	7,196	53,765	-
Equity attributable to minority interests	10,923	-	10,923	-	(1,301)	(1,781)	-	-	-	707	-	1,537	-	10,085

Statement of Cash Flows

A. OPERATING ACTIVITIES	31 12 2022	31 12 2021
1. Operations	7,602,405	8,733,388
interest income (+)	723,391	610,011
interest expense (-)	(1,371,720)	(2,487,321)
dividends and similar income	7,978,590	5,994,382
net fee and commission income (+/-)	27,430,198	29,617,877
personnel expense (-)	(18,235,071)	(21,831,693)
other expense (-)	(10,379,625)	(10,160,128)
other revenue (+)	4,104,071	10,076,129
Taxes and similar charges (-)	(2,647,429)	(3,085,869)
2. Cash flows generated by/used for financial assets	128,743,216	(68,065,463)
financial assets held for trading	50,852,553	6,120,600
financial assets measured at amortised cost	74,784,370	(36,653,708)
other assets	3,106,293	(37,532,355)
3. Cash flows generated by / used for financial liabilities	(127,329,557)	71,592,589
financial liabilities measured at amortised cost	(92,190,413)	62,793,281
financial liabilities held for trading	(31,104,221)	4,186,195
financial liabilities designated at fair value	-	-
other liabilities	(4,034,923)	4,613,113
Net cash flows from operating activities	9,016,064	12,260,514
B. INVESTING ACTIVITIES		
1. Cash flows generated by	946,697	526,616
disposal of tangible fixed assets	946,697	526,616
disposal of intangible fixed assets	-	-
2. Cash flows used for	(33,444)	12,679
acquisition of property and equipment	-	-
acquisition of intangible assets	(33,444)	12,679
Net cash flows generated by (used for) investing activities	913,253	539,295
C. FINANCING ACTIVITIES		
issue / repurchase of treasury shares	(652,187)	(6,517,758)
dividends and other distributions	(9,015,984)	(19,251,334)
Net cash generated by (used for) financing activities	(9,668,171)	(25,769,092)
NET CASH FLOWS FOR THE YEAR	261,146	(12,969,283)
Reconciliation	31 12 2022	31 12 2021
Opening cash and cash equivalents*	12,837,322	25,806,605
Net cash flows for the year	261,146	(12,969,283)
Closing cash and cash equivalents	13,098,468	12,837,322

* Amount of available cash

Part A

Accounting policies

A.1 – General

Section 1 – Statement of compliance with the international financial reporting standards

These financial statements have been drawn up in accordance with the international accounting principles issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Commission, as established in EU Regulation no. 1606 dated 19th July 2002. The Company has adopted the international financial reporting standards in accordance with article 4 paragraph 4 of Legislative Decree no. 38 dated 28th February 2005.

The application of the international financial reporting standards has been carried out with reference to the IASB's Framework for the Preparation and Presentation of Financial Statements (the Framework).

In the absence of a principle or an interpretation that is specifically applicable to a transaction, another event or a circumstance, the Directors may use their judgement to develop and apply an accounting principle, with the aim of providing information that is:

- relevant to the economic decisions to be made by users;
- reliable, in order that the financial statements:
 - accurately reflect the company's financial position, results of operations and cash flows;
 - reflect the economic substance of the transactions, other events and circumstances, and not merely their legal status;
 - are neutral, i.e. free of prejudice;
 - are prudent;
 - are complete, with reference to all relevant aspects.

In exercising their judgement, the Directors may refer to and consider the applicability of the following sources, reported in descending hierarchical order:

- the provisions and guides for application contained in the standards and interpretations that relate to similar or related examples;
- the definitions, reporting criteria and measurement concepts for the recognition of assets, liabilities, revenue and expense contained in the Framework.

In expressing their judgement, the Directors may also consider the most recent provisions issued by other organisations authorised to enact accounting principles that use a systematic Framework based on similar concepts to develop accounting standards, other accounting literature and accepted practice in the sector.

In the company's consolidated financial statements, for the purpose of presentation and measurement, the International Financial Reporting Standards (IFRS) followed were those issued by the International Accounting Standards Board (IASB), and the related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the European Union, and the measures relating to the Bank of Italy's "Financial Statements for Financial Intermediaries Other Than Banking Intermediaries" contained in the resolution issued on 29th October 2021. The specific accounting standards have been applied on an ongoing basis, and we declare that no exceptions have been made to the application of IFRS.

Accounting principles, amendments and interpretations to be applied in reporting periods commencing after 1st January 2022

	Issue date	Effective date	Approval date	EU Regulation and publication date
Amendments to IAS 1, IFRS Practice Statement 2 and IAS 8	February 2021	1 January 2023	March 2022	(EU) 2022/357 - 3 March 2022
Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12 Income Taxes)	May 2021	1 January 2023	August 2022	(EU) 2022/1392 - 12 August 2022
Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17 Insurance Contracts)	December 2021	1 January 2023	September 2022	(EU) 2022/1491 - 9 September 2022

In more detail:

- Commission Regulation (EU) 2022/357: this regulation approved the document "Amendments to IAS 1, IFRS Practice Statement 2 and IAS 8", published by IASB on 12th February 2021, which amended: "IAS 1: Presentation of Financial Statements", with entities now required to disclose material accounting policy information instead of significant accounting policies. In detail, the principle clarifies that accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements;
- "IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors": the amendments to IAS 8 focus on the one hand on developing a new definition of "accounting estimates", and on the other, of clarifying the relationship between "accounting estimates" and "accounting principles". The IASB replaced the definition of "change in accounting

estimates” with a new concept of “accounting estimates”, namely monetary amounts in financial statements to be measured in a way that involves measurement uncertainty.

- Commission Regulation (EU) 2022/1392: this regulation approved the document “Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12 Income Taxes)”, published by IASB on 7 May 2021. With the Amendments to IAS 12, IASB clarified how to account for deferred tax on transactions such as leases and decommissioning obligations;
- Commission Regulation (EU) 2022/1491: this regulation approved the document “Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17 Insurance Contracts)”, published by IASB on 9 December 2021.
- The amendments, applicable upon initial application of IFRS 17, aim to eliminate accounting mismatches in comparative information of the previous reporting period upon initial application of IFRS 17 and IFRS 9. In particular, among the IFRS 17 transition requirements IASB included a new option, classification overlay, which allows insurance entities that apply IFRS 17 and IFRS 9 at the same time to classify and measure financial assets connected to insurance activity based on the requirements of IFRS 9.
- These amendments have no particular impact on the Company.

Documents not yet endorsed by the EU as at 31st December 2022

Document title	Date issued by IASB	Effective date of IASB document	Expected approval date by EU
Standards			
IFRS 14 Regulatory Deferral Accounts	January 2014	January 2016	TBD
Amendments			
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	September 2014	Deferred until completion of IASB project on the equity method	TBD
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 2020	1 January 2024	TBD
including subsequent amendment issued in July 2020	July 2020		
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	September 2022	1 January 2024	TBD
Non-current Liabilities with Covenants (Amendments to IAS 1)	October 2022	1 January 2024	TBD

Section 2 – Basis of preparation

The financial statements and explanatory notes are prepared in euros.

The financial statements have been drawn up clearly and give a true and fair view of the financial position results of operations and cash flows for the year.

Specifically, the financial statements were drawn up based on the standards that underpin the accounting principles:

- Relevance: the omission or misreporting of significant items may influence users' economic decisions, whereas errors of little importance do not invalidate the reliability of the financial statements;
- Reliability: the statements present the company's capital and financial status and economic results, providing a true and fair reflection of the impact of company operations during the year. In reporting the results from operations, the financial statements adhere to the principle of favouring economic substance over form.

The financial statements match the company's accounts, which fully reflect the transactions executed throughout the year. They have been drawn up applying the fundamental theories of the relevant accounting principles, especially accounting on an accrual basis (the impact of the events and transactions is booked at the time they take place, and not when the relevant income and payments are made).

Comparative prior year figures are presented in the financial statement schedules at 31st December 2022 .

Neither assets and liabilities, nor costs and revenue can offset one another, unless permitted or required by the IFRS or by the provisions contained in the Instructions issued by the Bank of Italy.

Financial statements captions with a nil balance in the current and previous years are omitted. If an asset or liability item falls under more than one caption in the statement of financial position, its applicability to captions other than the one it is assigned to is mentioned in the explanatory notes, where this is necessary for understanding of the financial statements. In the income statement and the related section of the explanatory notes, revenue is indicated without a sign, whereas costs are indicated in parentheses

In accordance with the provisions of article 5 of Legislative Decree no. 38 dated 28th February 2005, the financial statements are drawn up using the euro as reporting currency. In particular, the financial statements and explanatory notes are drawn up in units of euro unless otherwise indicated, with any decimal values rounded to the nearest whole euro.

The financial statements have been drawn up on a going concern basis, according to the accrual basis of accounting and to the following principles: providing relevant and material information, prevalence of substance over form and with a view to favouring comparison with

future presentations. According to the company's articles of association, the company's expiry date is 2050.

All dissimilar items are presented separately.

Adjustments have been made to reflect events after the reporting date to all amounts that must be so adjusted according to IAS 10. Subsequent events that do not require adjustments and which therefore reflect circumstances that occurred after the reporting date are reported in the explanatory notes in the relevant section of the annual report, where considered relevant and therefore likely to influence the economic decisions of the user.

Section 3 – Events after the reporting date of the condensed consolidated accounts

No relevant events occurred after the reporting date.

Section 4 – Other factors

Estimates and assessments

The compilation of consolidated financial statements requires the formulation of estimates, assessments and assumptions that influence the application of the accounting principles and the amounts of assets, liabilities, costs and revenues reported for the period. Estimates and relevant assumptions are based on past experience and other factors considered reasonable in the specific circumstance, and are adopted to determine the accounting value of assets and liabilities that cannot be easily deduced from other sources. These estimates and assumptions are reviewed on a regular basis, and in any case during compilation of the financial statements.

The compilation of the consolidated financial statements incorporates the new international accounting principles and amendments to existing accounting principles, as indicated in *Section 1 – Statement of compliance with the international financial reporting standards*

With reference in particular to paragraph 125 of IAS 1, please refer to the section entitled “Information on risks and related hedging policies”.

RISKS, UNCERTAINTY AND IMPACT OF COVID-19

Following the spread of the Covid-19 pandemic, Intermonte Partners SIM implemented a wide range of measures extremely swiftly to protect the health of its personnel and clients while ensuring business continuity and minimising risks. The measures implemented to safeguard health, along with the business continuity initiatives, involved: (i) risk prevention in the workplace, with the adoption of the necessary personal and collective protection measures required to respond appropriately to constantly evolving health ordinances at national, local and sector level as the pandemic developed; ii) the large-scale introduction of flexible working, with associated investments in IT equipment, development of operating processes and reinforcement of the company’s IT network in order to allow simultaneous access to all employees; (iii) interventions to favour digital interaction in order to enable continued intense communication between traders and institutional clients through digital interactions.

In 2022, the company continued the profitable trends recorded in previous financial years. It is believed that the above-mentioned measures implemented as a result of the Covid-19 emergency, operational developments in subsequent months, and the company’s solid

economic, capital and financial positions ensure that the company is not exposed to any particular risk or uncertainty, providing confirmation of its ability to continue to operate as a functioning entity.

In the 2022 financial year Intermonte Partners SIM has not made any changes to accounting estimates linked to Covid-19.

Section 5 – Consolidation scope and methodology

1. Shareholdings in wholly controlled subsidiaries

The consolidated financial statements include the statement of financial position and income statement of Intermonte Partners SIM S.p.A. and the companies it controls directly or indirectly.

Company name	Business premises	Registered office	Relationship Type	Shareholding relationship		Voting rights %
				Shareholding company	Stake %	
A. Companies consolidated on a line-by-line basis						
1. Intermonte SIM	Milan	Milan	1	Intermonte Partners	85.85%	85.85%

The term subsidiaries refers to all the companies in which the Parent Company has the power to determine, directly or indirectly, the financial and operational policies for the purpose of obtaining benefits arising from the activities of such companies.

In assessing control, consideration is also given to companies in which the Parent Company, directly or indirectly, holds more than half the voting rights. The assessment of voting rights also takes account of “potential” rights that are currently exercisable or convertible into effective voting rights at any time.

In order to verify the existence of control, the following factors are therefore considered:

- the power over the entity in which the investment is held;
- the exposure or the rights to variable returns arising from the relationship with the entity in which the investment is held;
- the capacity to exercise power over the entity in which the investment is held in order to influence the amount of its returns.

CONSOLIDATION METHOD

- Line-by-line consolidation: subsidiaries are fully consolidated on a line-by-line basis. This involves taking on all of the balance sheet and income statement figures of the subsidiaries. To that end the following adjustments have been made:
 - the carry value of shareholdings held by the Parent Company and the corresponding part of the net equity are eliminated;
 - the portion of equity and of the net profit or loss for the year attributable to minority equity interests are shown in a separate item.

Intragroup balances and transactions, including revenues, costs, and dividends, are eliminated in full. The results of subsidiaries acquired during the year are included in the consolidated financial statements from the date of acquisition.

The financial statements used in preparing the consolidated financial statements are drawn up as at the same date. The consolidated financial statements have been prepared using uniform accounting principles for like transactions. If a subsidiary uses different financial principles to those adopted for the consolidated financial statements, the necessary changes have been made to the financial statements for consolidation purposes.

A.2 – Main items of the financial statements

Accounting principles

Described below are the accounting policies adopted with reference to the main assets and liabilities captions for the preparation of the financial statements at 31st December 2022.

1. Financial assets measured at fair value through profit or loss (FVTPL)

a) Recognition criteria

Initial recognition of financial assets measured at fair value through profit or loss, as part of a held for trading business model, occurs on the settlement date for debt and equity securities and on the date of subscription for derivative contracts. Upon initial recognition, financial assets measured at fair value through profit or loss are recognised at their fair value, which normally corresponds to the amount paid for the instrument without considering costs or income from transactions directly attributable to the instrument itself, which are recorded directly in the income statement.

b) Classification criteria

Financial assets other than those classified as financial assets measured at fair value through other comprehensive income or as financial assets measured at amortised cost are classified in this category. Specifically, this includes: - financial assets held for trading, mainly represented by debt and equity securities and the positive value of derivative contracts held for trading; - financial assets mandatorily measured at fair value, comprising those financial assets that do not meet the criteria to be measured at amortised cost or at fair value through other comprehensive income.

These are financial assets for which the contractual terms do not pass the SPPI test, i.e. they do not feature solely payment of principal and interest, or which are not held as part of a hold to collect business model, the aim of which is to hold assets in order to collect the related contractual cash flows, or a hold to collect and sell business model, the aim of which is achieved both through the collection of contractual cash flows and through the sale of financial assets; - financial assets measured at fair value, i.e. financial assets that meet the criteria to be defined as such at initial recognition. In this instance, an entity may, at initial recognition, irrevocably designate a financial asset to be measured at fair value through profit or loss only if doing so significantly reduces an accounting mismatch.

c) Measurement criteria

This item also includes derivative contracts, recognised as financial assets held for trading, that are recognised as assets if the fair value is positive and as liabilities if the fair value is negative. It is possible to offset current positive and negative values deriving from ongoing transactions with the same counterparty only in the event that there is currently the legal right to offset the amounts recognised in accounts and there is an intention to settle the positions being offset on a net basis.

In order to determine the fair value of financial instruments listed on an active market, market prices are used. These prices are established in the following manner:

- for financial instruments listed on liquid regulated markets: the reference price;
- for financial instruments that are not listed, or that are listed on markets that are not liquid: the best cash price reported on the Reuters circuit, the fairness of which is verified through a comparison with corresponding prices on the Bloomberg circuit. If the verification highlights a discrepancy of over 2%, a further verification will be made through requests for a quote from three market makers that operate on the instrument in question and are considered reliable.

In the absence of an active market, estimates and generally-accepted valuation models are used. These are based on data available on the market, such as: methods based on the valuation of listed instruments that have similar characteristics, discounted cash flow analysis, option pricing models and values recorded in recent comparable transactions.

Equity securities and related derivative instruments for which it is not possible to determine a reliable fair value based on the above guidelines are recognised at cost, adjusted for impairment losses. Such impairment losses are never reversed.

For more information on the criteria used for determining fair values, which have not been amended following the introduction of IFRS 9, please refer to Section A.4 “Disclosure on Fair Value” in Part A of the explanatory notes to the financial statements.

d) Derecognition criteria

Financial assets are derecognised when contractual rights to the cash flows generated by the assets expire, or when the financial assets are sold, with the substantial transfer of all the related risks and rewards. If a significant portion of the risks and rewards related to the financial asset that has been sold is retained, the risks and rewards will continue to be recognised in accounts, even though legally the ownership of the assets themselves has been transferred.

e) Recognition criteria for income components

Fair value gains and losses on financial assets are recognised under the item Net trading income in the income statement

2. Financial assets valued at fair value through other comprehensive income (FVOCI)

a) Recognition criteria

Initial recognition of financial assets occurs on the settlement date for debt and equity securities, and at the date of issue for financing. Upon initial recognition the assets are measured at fair value, including costs or income from transactions directly attributable to the instrument itself.

b) Classification criteria

This category includes financial assets that satisfy both of the following conditions: - the financial asset is held through a hold to collect and sell business model, the aim of which is achieved both through the collection of contractual cash flows and through the sale of financial assets; and - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (passing the SPPI test). The item also includes equity instruments not held for trading for which the option of designation at fair value through other comprehensive income was exercised upon initial recognition. Specifically, this item includes: - debt securities attributable to a hold to collect and sell business model that pass the SPPI test; - equity investments, not identifiable as controlling, in associate entities or entities in which the company has joint control, that are not held for trading, for which the option of designation at fair value through other comprehensive income was exercised; - financing attributable to a hold to collect and sell business model that passes the SPPI test, including quotas in syndicated loans subscribed that are designated for sale upon origination and that are attributable to a hold to collect and sell business model.

There was no activity in this caption during the reporting period.

c) Measurement criteria

After initial recognition, assets classified at fair value through other comprehensive income, other than equity securities, are measured at fair value, with the impact deriving from the application of the amortised cost, impairments and any currency effect recognised in the income statement, while other profit or loss deriving from changes in fair value are recognised in a specific equity reserve until the financial asset is derecognised. At the time of the total or partial disposal of the asset, the cumulative profit or loss in the valuation reserve is reversed, in whole or in part, in the income statement.

d) Derecognition criteria

Financial assets are derecognised when contractual rights to the cash flows generated by the assets expire, or when the financial assets are sold, with the substantial transfer of all the related risks and rewards. If a significant portion of the risks and rewards related to the financial asset that has been sold is retained, the risks and rewards will continue to be recognised in accounts, even though legally the ownership of the assets themselves has been transferred.

3. Financial assets valued at amortised cost

a) Recognition criteria

Loans and receivables are recognised on the payment date, when the creditor acquires the right to the payment of the amounts agreed upon in the contract, while a debt security is recognised on the settlement date.

The initial amount is calculated based on the fair value of the financial instrument, which is usually equal to the amount paid, or the subscription price, including expenses/ income directly attributable to the instrument and which can be determined since the beginning of the transaction, even if settled at a later date.

Costs that meet the above criteria, but which are to be redeemed by the debtor or can be recognised under normal internal administrative costs, are excluded.

Swap contracts, securities lending and repurchase agreements with mandatory buyback or re-sale at expiry are recognised as deposits or loans.

Specifically, spot sale transactions and forward repurchase agreements are recognised in the financial statements as liabilities for the amount collected on the spot date, while spot purchase and forward re-sale transactions are recognised as assets for the amount paid on the spot date.

b) Classification criteria

This category includes financial assets (especially financing or debt securities) that meet both of the following conditions: - the financial asset is held through a hold to collect business model, the aim of which is achieved through the collection of contractual cash flows; and - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (passing the SPPI test).

Loans and receivables include loans to customers and financial backers, have payments that are fixed or can be determined, are not listed in an active market, and at the outset were not classified as financial assets measured at fair value through other comprehensive income or as financial assets measured at fair value through profit or loss.

Trade receivables, sale and repurchase agreements and securities lending are also included under loans and receivables.

c) Measurement and recognition criteria for income components

After initial recognition, loans and receivables are measured at amortised cost, equal to the initial recognition amount minus/ plus capital redemptions, impairment losses/reversals of impairment and amortisation – using the effective interest method – of the differences between the amount paid and the amount that will be redeemed upon maturity; these adjustments can be typically ascribed to expenses/income directly attributed to the individual loan. The effective interest rate is the rate that equates the present value of future cost flows, as concerns the principal and interest, to the amount paid including expenses/ income ascribed to the loan. The effect of expenses and income is therefore distributed along the expected residual maturity of the loan.

The amortised cost method is not used for short term loans as the effect of discounting is negligible.

At each annual or interim reporting date, an analysis of the loans is carried out so that it may be possible to identify those that, because of events that occurred after recognition, show objective evidence of a possible impairment loss.

The impairment loss is recognised in the income statement under “Net impairment losses on financial assets measured at amortised cost”. The component of the impairment loss ascribed to discounting of the cash flows is released on an accrual basis according to the effective interest method and is recognised as a reversal of impairment losses.

The original loan amount is restored in subsequent years if the reasons that determined the impairment no longer apply, provided that said reversal is objectively related to an event that occurred after the recognition of the impairment loss. The reversal of the impairment loss is recognised in the income statement, and cannot in any circumstances exceed the amortised cost that the loan would have had without the previous impairment losses.

d) Derecognition criteria

Financial assets are derecognised only if the disposal involved the transfer of all risks and rewards related to the assets themselves. In contrast, if risks and rewards connected to the transferred assets have been maintained, the assets are recognised, even if legal title has been transferred. In the event that it has not been possible to ascertain the substantial transfer of the risks and rewards, the financial assets are derecognised if no control of any kind has been retained. If this is not the case, retention, even only partial, of control of the assets involves their continued recognition in proportion to the residual involvement, measured according to the exposure to changes in the value of the transferred assets and changes in the related cash flows.

4. Property and equipment

a) Recognition criteria

Property and equipment are initially recognised at cost, which in addition to the acquisition price, includes any potential additional expenses relative to the acquisition and activation of the asset.

Expenses for extraordinary maintenance that include an increase in future economic benefits are recognised as an increase in the amount of the asset, while other ordinary maintenance costs are recognised in the income statement. Financial expense is recognised according to IAS 23, and is therefore recognised as an expense in the year in which it is incurred.

b) Classification criteria

Property and equipment include furniture, furnishings and equipment of any kind. Also included are the right of use gained through lease relating to the use of tangible assets (for the lessee) and the assets granted in operating lease (for the lessor) in accordance with IFRS 16.

They are assets held to be used in the production or supply of goods and services, to be leased to a third party or held for administrative purposes, and are assumed to be used for more than one year.

c) Measurement and recognition criteria for income components

Property and equipment are valued at cost, net of depreciation and any impairment losses.

Property and equipment are systematically depreciated throughout their useful life, adopting the straight line depreciation method in accordance with the provisions contained in IAS 16. The useful life of property and equipment subject to depreciation is periodically subject to checks; in the event of a significant adjustment of the initial estimates, the relevant depreciation rate is modified accordingly.

The assets are tested for impairment at each annual and interim reporting date.

In the presence of any such indication, a comparison is made between the carrying amount and the recoverable amount, equal to the lesser of the fair value net of any costs to sell and the relevant value in use of the asset, i.e. the present value of future cash flows generated by the asset. Any adjustments are recognised as impairment losses on property and equipment in the income statement.

If the reason that led to the recognition of the impairment loss is no longer valid, it is reversed to the extent of the amount that the asset would have had, net of depreciation, in the absence of the previous impairment loss.

d) Derecognition criteria

Property and equipment is derecognised at the time of disposal, or when the asset is permanently withdrawn from use and future economic benefits are not expected to arise following their disposal.

5. Intangible assets

a) Recognition criteria

Intangible assets are non-monetary assets, identifiable and without physical substance, held to be used over a number of years or for an indefinite period. They are recognised at cost, and only adjusted in the event of any possible additional expenses if the future economic benefits that may be attributed to the assets are likely to be realised and the cost of the assets themselves can be determined in a reliable manner. If this is not the case, the cost of the intangible asset is recognised in the income statement in the year in which it is incurred.

Goodwill is recognised among assets when it is the result of a merger according to the identification criteria established in IFRS 3, as the residual surplus between the overall cost incurred in the deal and the net fair value of the acquired assets and liabilities.

If the cost incurred is below the fair value of the assets and liabilities acquired, however, the negative difference (badwill) is directly recognised in the income statement.

b) Classification, measurement and recognition criteria for income components

The cost of intangible assets is amortised on a straight line basis over the useful life of the assets. If the useful life is indefinite, then amortisation is not carried out, but there are regular checks on the accuracy of the carrying amount of the intangible assets. Intangible assets that come from software developed internally or acquired from third parties are amortised on a straight line basis, starting from the completion and activation of the technology and based on their useful life.

At the end of each year, if there is evidence of an impairment loss, the recoverable amount of the asset will be estimated. The impairment loss, which is recognised in the income statement as net impairment losses on intangible assets, is equal to the difference between the carrying amount and the recoverable amount of the assets.

Goodwill that is recognised is not amortised, but its carrying amount is regularly tested for impairment. These checks are carried out on an annual basis, or more regularly if there are any impairment indicators. For this purpose, the cash-generating units to which the individual goodwill should be attributed are identified.

The amount of any impairment loss is determined based on the difference between the carrying amount of the goodwill and its recoverable amount, if the latter is lower. The recoverable amount is the higher of the fair value of the cash-generating units, net of any costs to sell, and the value in use, represented by the present value of cash flows estimated for the years that the cash-generating unit can operate, and its disposal at the end of its useful life. Any resulting impairment losses are recognised in the income statement. No subsequent reversal of impairment losses may be recognised.

c) Derecognition criteria

Intangible assets are derecognised at the time of their disposal, or when no future economic benefits are expected.

6. Current and deferred taxation

a) Recognition criteria

Current and deferred taxes, calculated according to the national taxation law accrual basis, are recognised in line with the methods of recognising the income and expense that generated them, applying the tax rates in force.

Income taxes are recognised in the income statement with the exception of those relating to items debited directly from or credited directly to equity.

Provisions for income taxes are determined based on a prudent forecast of current tax charges and deferred taxes.

Current taxation includes the net balance between current liabilities for the year and current tax assets, represented by pre-paid taxes and other assets for tax withholdings.

Deferred taxes are determined based on temporary differences – with no time limits – between the amount attributed to an asset or a liability according to statutory criteria and the corresponding amount assumed for tax purposes

Deferred tax assets are recognised in the financial statements to the extent in which they are likely to be recovered. This likelihood is assessed based on the company's capacity to generate continuing positive taxable income, as it has opted to take part in the national tax consolidation scheme.

Liabilities for deferred taxes are recognised in the financial statements, with the sole exception of the reserves taxed on distributions, as the size of available reserves already subject to taxation makes it reasonable to assume that no initiatives will be carried out that will lead to them being taxed.

Deferred tax assets and liabilities are offset against each other for the year, taking into account the expected period of time for their recovery, with the resulting figure being recognised in the statement of financial position.

In the years in which temporary deductible differences are higher than temporary taxable differences, the related deferred tax assets are recognised as such in the statement of financial position.

In contrast, in years when the temporary taxable differences are higher than the temporary deductible differences, the related deferred taxes are recognised under deferred tax liabilities.

b) Classification and measurement criteria

Deferred tax assets and liabilities are systematically assessed to consider any potential changes in regulations or tax rates. The amount of the provision for taxes is also adjusted in order to meet the charges that could come from inspections the company has already been notified of or from ongoing disputes with tax authorities.

c) Recognition criteria for income components

If deferred tax assets and liabilities relate to components recognised in the income statement, they are recognised as income taxes.

In the event that deferred tax assets and liabilities relate to transactions recognised directly under equity without appearing in the income statement (such as, for example, the measurement of financial instruments measured through other comprehensive income or cash flow hedges), the taxes are also recognised under equity, highlighting the specific reserves where this is relevant.

7. Other assets

This item includes assets that cannot be assigned to other items in the assets section of the statement of financial position.

8. Share-based payments

These are payments to employees or other similar parties, as payment for work services, settled in shares of the parent company. The reference international accounting principle is IFRS 2 – Share based payments; in particular, with the Company's obligation in relation to the work services provided to be settled in shares and stock options, the applicable accounting principle in this circumstance is the "equity-settled share-based payment". The cost of transactions settled with equity instruments is determined by the fair value on the date of award, using an appropriate valuation method. This cost, along with the corresponding increase in shareholders' equity, is recognised under personnel costs and as an increase in the value of equity investments (if employed by a subsidiary) over the vesting period in which the conditions relating to achievement of objectives and/or delivery of services are met. At the end of each reporting period, the cumulative costs recognised for these transactions up to the vesting date are commensurate with the expiry of the vesting period. The general accounting rule envisaged by IFRS 2 for this case provides for costs to be recognised among personnel expenses with a balancing entry in a shareholders' equity reserve; the cost is accounted for on a pro-rata basis over the vesting period of the counterparty's right to receive payment in shares, spreading the cost equally over the period.

9. Provisions for risks and charges

Provisions for risks and charges are only made when:

- there is a present obligation (legal or implicit) as a result of a previous event;
- it is probable that an outflow of resources embodying economic benefits will be required to fulfil an obligation; and
- a reliable valuation of the amount of the obligation can be made.

Where the time value of money is significant, provisions are discounted using a rate that reflects the specific risks related to the liability, where appropriate.

Provisions for risks and charges are recognised under “Accruals to provisions for risks and charges”. When provisions are discounted, the increase due to the passage of time is recognised as a financial expense in profit or loss.

“Provisions for risks and charges” includes allowances relating to the long-term benefits identified in IAS 19 and the provisions for risks and charges identified in IAS 37.

No provisions are made for potential but not probable liabilities, but a description of the nature of the liability is provided in the explanatory notes to the financial statements where considered appropriate.

10. Post-employment benefits

As of 1st January 2007, the 2007 Finance Act and relative implementing legislation introduced changes to regulations for post-employment benefits, including giving employees the choice of how to invest their accruing benefits.

In particular, new flows can be channelled by the employee to complementary pension funds, or kept within the company (in which case the company will transfer the contributions into a treasury account set up with the Italian National Social Security Institution: INPS).

The amount of contributions accruing as from 1st January 2007, for those opting for direct payment into the INPS treasury fund, is determined based on the contributions due without applying actuarial calculation methods.

11. Financial liabilities measured at amortised cost

a) Recognition criteria

The initial recognition of such financial liabilities is made upon receiving the collected amounts, and is based on the fair value of the liabilities, normally equal to the amount cashed in plus any expenses/ income directly attributable to each transaction. Internal administrative expenses are excluded.

b) Classification criteria

This item includes amounts due to banks, financial backers and customers.

It also includes liabilities for transactions involving repurchase agreements and securities lending. Repurchase agreements include an obligation or option for forward sale. The item also includes liabilities recognised in accordance with IFRS 16.

c) Measurement and recognition criteria for income components

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

An exception is made for short term liabilities, where the time factor is considered negligible, which are recognised at the amount collected.

d) Derecognition criteria

Financial liabilities are derecognised when they expire or when they are settled.

12. Financial liabilities held for trading

a) Recognition criteria

Financial liabilities held for trading are recognised at fair value on the date of subscription or at the date of issue, without considering costs or income from transactions that can be directly attributed to the instrument itself.

This category of liabilities includes trading derivative contracts with a negative fair value, as well as implicit derivatives with a negative fair value embedded in complex contracts – in which the primary contract is a financial liability – that are not strictly linked to the contract itself.

b) Classification criteria

This category includes debt securities supported by the right to receive such securities through security lending contracts, and the fair value loss on derivative contracts with the exception of those designated as hedging instruments.

c) Measurement criteria

After initial recognition, financial liabilities held for trading are measured at fair value, with changes in value recognised through profit and loss. To determine the fair value of financial instruments traded on an active market, market prices are used. In the absence of an active market, generally accepted estimate methods and valuation models are used. They are based on data available from the market, such as: methods based on the valuation of listed

instruments that have similar characteristics, discounted cash flow analysis, option pricing models, and comparison with values recorded in recent similar transactions.

d) Derecognition criteria

Financial liabilities are derecognised when they expire or are settled. Derecognition also occurs when previously-issued securities are repurchased. The difference between the carrying amount of the liability and the amount paid to purchase it is recorded in the income statement.

e) Recognition criteria for income components

Fair value gains and losses on financial liabilities are recognised in the income statement..

13. Other liabilities

This item includes liabilities that cannot be attributed to other items in the liabilities section of the statement of financial position.

14. Foreign currency transactions

a) Recognition criteria

On initial recognition, foreign currency transactions are recognised in the reporting currency, applying the exchange rate in force on the date of the transaction to the amount in foreign currency.

b) Classification, measurement, recognition and derecognition criteria for income components

At each annual and interim reporting date, monetary items in foreign currency are converted at the exchange rate in force on the reporting date.

15. Other information

Costs and revenues

Revenue is recognised when received or when future benefits are likely to be received, if such benefits can be quantified in a reliable manner, based on the provisions of IFRS 15.

Costs are recognised on the income statement whenever benefits decrease such that there is a decrease in assets or an increase in liabilities.

Interest income and expense from instruments measured at amortised cost are recognised in the income statement based on the effective interest rate of the instrument.

Dividends are recognised in the income statement at the time the distribution is decided.

Revenue arising from the trading or issue of financial instruments, determined by the difference between the transaction price and the fair value of the instrument, is recognised in the income statement at the time the transaction is recognised if the fair value can be determined with reference to set parameters or recent transactions on the same market in which the instrument is traded; otherwise, it is distributed over time, taking into consideration the overall duration and nature of the instrument.

Income from financial instruments for which the above measurement is not possible are recorded in the income statement over the term of the transaction.

Net trading income includes the measurement of transactions in securities that were not yet settled at the time of the reporting date.

16. Use of estimates

The preparation of financial statements and explanatory notes in accordance with IFRS require Directors to use estimates and assumptions that impact the carrying amount of assets and liabilities and the disclosure on contingent assets and liabilities at the reporting date.

The estimates and assumptions used are based on experience and on all factors considered relevant. Final results could therefore differ from these estimates. The estimates and assumptions are revised periodically, and the impact of any changes are reflected in the income statement relating to the year in which the change in estimate is made, if the estimate only affects that year, or also in subsequent years if the change in estimates will also have an impact on future years.

A.3 – Disclosure on transfers between financial asset portfolios

The company has not reclassified any financial assets either in the current or previous years.

A.4 – Disclosure on Fair Value

Qualitative information

IFRS 13 – For Fair Value measurement, “fair value” is defined as the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This value therefore corresponds to the so-called exit price, which reflects the features of the asset or liability that is the subject of measurement as they would be perceived by a market participant (the so-called market participant view).

A fair value measurement refers to an ordinary transaction executed or executable between market participants, where market is defined as:

- the principal market, i.e. the market with the greatest volume and level of activity for the asset or liability to which the SIM has access; or;
- in the absence of an active market, the most advantageous market, i.e. the one that maximises the amount that would be received to sell the asset or minimises the amount that would be paid to transfer a liability, after taking into account transaction and transport costs.

IFRS 13 seeks to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy' (which had already been introduced in IFRS 7). The hierarchy categorises the inputs used in valuation techniques into three levels.

This classification approach has the aim of establishing an objective hierarchy of the fair value in function of the degree of discretion applied, giving precedence to the use of parameters that can be observed on the market that reflect the assumptions that market participants would use in valuing assets and liabilities.

The fair value hierarchy is defined based on the origin, type and quality of input data used in models for measuring fair value, and not based on the valuation models themselves. The highest priority is given to level 1 inputs.

Fair value measured based on level 1 inputs

The fair value is measured based on inputs that can be observed, such as quoted prices in active markets for the financial instrument that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is therefore prioritised in the measurement process.

For the purposes of IFRS 13 a market is defined as being active when the frequency and volume of transactions for an asset or liability is enough to guarantee the information needed for the measurement of fair value on a continuous basis.

Specifically, equity securities and bonds quoted on regulated markets (e.g. MOT/MTS) are considered to be quoted on an active market, as are those securities not quoted on a regulated market but for which prices that represent effective and regular market transactions are continuously available from the main trading platforms.

The fair value of securities quoted on regulated markets is generally represented by the reference price recorded on the last working day in the reporting period on the respective market; for securities that are not quoted on a regulated market, the fair value is represented by the price on the last day of trading that is considered to be representative based on internal policies.

With reference to other financial instruments with level 1 inputs, such as derivatives, exchange-traded funds, and quoted real estate funds, for example, the fair value is represented by the closing price on the day in which the measurement is made.

Fair value measured based on level 2 inputs

If a price cannot be determined on an active market, the fair value is measured through valuation models that use market inputs.

The measurement uses parameters that are directly or indirectly observable, such as:

- prices quoted on active markets for similar assets or liabilities;
- bid and ask prices on OTC circuits quoted by a number of market makers (typically used for bonds);
- other observable inputs, such as interest rates or yield curves, implicit volatility, reference prices for underlying assets, and default rates.

Based on the above considerations, the measurement resulting from the technique adopted involves a reduced impact of unobservable inputs, as the main parameters used in the measurement are drawn from the market and the results of the calculation methodologies used replicate quotations on active markets.

Level 2 inputs include:

- OTC derivatives;
- Bonds;
- Amounts due to banks, other financial backers and customers, and loans and receivables.

Fair value measured based on level 3 inputs

Measurement is made through using significant inputs that cannot be observed from the market, and therefore involves the adoption of internal estimates and assumptions.

Level 3 of the fair value hierarchy includes:

- Equity instruments issued by companies in default;
- Bonds issued by companies in default
- Amounts due to banks, other financial backers and customers, and loans and receivables.

Finally, it should be noted that the fair value is classified as level 3 when it is measured using market parameters that have been significantly adjusted to reflect valuation considerations specific to the instrument that is the object of measurement.

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

This section provides information on the measurement techniques and input used in order to measure fair value for assets and liabilities measured using level 2 and 3 inputs that are recognised at fair value in the financial statements, as well as those for which the fair value is provided purely for information purposes.

Assets and liabilities measured at fair value

OTC derivatives

The method used for calculating the fair value of OTC derivatives involves the use of closed-form models provided by Bloomberg. Specifically, the main pricing models used for OTC derivatives are: Black-Scholes Trinomial and Black-Scholes Continuous.

These pricing models are used on a continuous basis and are subject to regular checks to ensure that they remain accurate over time.

The market data used in fair value calculations of derivatives are classified, according to their availability, as follows:

- prices of quoted instruments: all products quoted on the leading international stock exchanges or the main financial market data platforms;
- market parameters available on information provision platforms: all instruments that, while not quoted on an official market, are readily available on financial market information circuits given the guaranteed continuous contribution from various brokers and/or market makers.

Debt securities

The process adopted by Intermonte SIM for the measurement of the fair value of debt securities involves the use, in order, of prices sourced from BVAL, CBBT or BGN, provided by Bloomberg (the bid price for assets and the ask price for liabilities). These are prices from various market makers on OTC circuits. These prices are not the prices in operation on the bond market, but rather the estimated average based on direct participants in the quotation of the security on that particular day.

A.4.2 Internal processes and valuation sensitivity

Intermonte SIM has adopted specific policies to determine valuations at fair value, which have been formalised in specific internal regulations approved by the company's senior management, especially in light of the amendments introduced by IFRS 9. These policies aim to guarantee correct and consistent application of IFRS 13 as well as identifying the level 3 inputs used.

For financial instruments measured at fair value and classified in level 3 of the fair value hierarchy, no sensitivity analysis is provided because the fair value measurement models do not allow for the development of alternative scenarios with regard to unobservable inputs used for valuation purposes, and because the impact of any changes in these inputs is not considered to be significant.

A.4.3 Fair value hierarchy

In accordance with IFRS 13, the inputs to the valuation techniques adopted to measure the fair value of financial assets and liabilities are classified into 3 levels:

- Level 1: if the financial instrument is quoted on an active market;
- Level 2: if the fair value is measured based on valuation techniques based on parameters that are observable on the market, other than the actual quotations of the financial instrument;
- Level 3: if the fair value is measured based on valuation techniques that are based on parameters that are not observable on the market;

For more information on the models adopted, refer to the previous paragraphs.

In compliance with the provisions of paragraph 93, letter c) of IFRS 13, we hereby disclose that during the reporting period there were no transfers of assets or liabilities between Level 1 and Level 2.

In compliance with the provisions of paragraph 93, letter e), iv) of IFRS 13, we hereby disclose that during the course of the reporting period Eu108,700 of financial assets, in the form of bonds, were transferred from Level 1 to Level 3, following the de-listing of the issuing company.

Quantitative information

A.4.5 Fair value hierarchy

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis: distribution by fair value level

	31 12 2022			31 12 2021		
Assets/liabilities measured at fair value	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Assets measured at fair value through profit or loss:	67,945,002	17,178,941	349,264	125,312,722	10,798,874	214,164
a) financial assets held for trading	67,945,002	17,178,941	349,264	125,312,722	10,798,874	214,164
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Hedging derivatives	-	-	-	-	-	-
4. Property and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	67,945,002	17,178,941	349,264	125,312,722	10,798,874	214,164
1. financial liabilities held for trading	65,151,935	1,356,951	134,628	87,132,178	10,480,929	134,628
2. financial liabilities measured at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	-	-	-	-	-
Total	65,151,935	1,356,951	134,628	87,132,178	10,480,929	134,628

A.4.5.2 Changes in level 3 financial assets measured at fair value on a recurring basis

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property and equipment	Intangible assets
	Total	of which a.) Financial assets held for trading	of which b.) Financial assets measured at fair value	of which c.) Other financial assets mandatorily measured at f.v.				
I. Opening balance	214,165	214,165	-	-	-	-	-	-
2. Increases	238,541	238,541	-	-	-	-	-	-
2.1. Acquisitions	-	-	-	-	-	-	-	-
2.2. Gains recognised in:	-	-	-	-	-	-	-	-
2.2.1 Profit or loss	228,121	228,121	-	-	-	-	-	-
<i>of which: capital gains</i>	228,121	228,121	-	-	-	-	-	-
2.2.2 Equity	-	-	-	-	-	-	-	-
2.3. Transfers from other levels	10,420	10,420	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	-	-
3. Decreases	(103,442)	(103,442)	-	-	-	-	-	-
3.1. Sales	(102,106)	(102,106)	-	-	-	-	-	-
3.2. Redemptions	-	-	-	-	-	-	-	-
3.3. Losses recognised in:								
3.3.1. Profit or loss	(1,336)	(1,336)	-	-	-	-	-	-
<i>of which: capital losses</i>	(1,336)	(1,336)	-	-	-	-	-	-
3.3.2 Equity	-	-	-	-	-	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	-	-	-	-	-	-	-	-
4. Closing balance	349,264	349,264	-	-	-	-	-	-

A.4.5.3 Changes in level 3 financial liabilities measured at fair value on a recurring basis

	Financial liabilities held for trading	Financial liabilities designated at f.v.	Hedging derivatives
1. Opening balance	134,628	-	-
2. Increases	-	-	-
2.1. Issues	-	-	-
2.2. Losses recognised in:	-	-	-
2.2.1 Profit or loss	-	-	-
of which: capital losses	-	-	-
2.2.2 Equity	-	-	-
2.3. Transfers from other levels	-	-	-
2.4. Other increases	-	-	-
3. Decreases	-	-	-
3.1..Redemptions	-	-	-
3.2. Repurchases	-	-	-
3.3. Gains recognised in:	-	-	-
3.3.1 Profit or loss	-	-	-
of which: capital gains	-	-	-
3.3.2 Equity	-	-	-
3.4. Transfers to other levels	-	-	-
3.5. Other decreases	-	-	-
4. Closing balance	134,628	-	-

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

Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	Total as at 31 12 2022				Total as at 31 12 2021			
	CA	L 1	L 2	L 3	CA	L 1	L 2	L 3
1. Financial assets measured at amortised cost	93,119,263	-	-	93,119,263	167,903,633	-	-	167,903,633
3. Property and equipment held for investment	-	-	-	-	-	-	-	-
4. Discontinued operations and disposal groups	-	-	-	-	-	-	-	-
Total	93,119,263	-	-	93,119,263	167,903,633	-	-	167,903,633
1. Financial liabilities measured at amortised cost	55,979,440	-	-	55,979,440	148,169,853	-	-	148,169,853
2. Liabilities associated with disposal groups	-	-	-	-	-	-	-	-
Total	55,979,440	-	-	55,979,440	148,169,853	-	-	148,169,853

Key

CA = Carrying amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

A.5 – Information on so-called “Day one profit/loss”

In accordance with the provisions of paragraph 28 of IFRS 7, the Group declares that it has no transactions in place from which, at the moment that a financial instrument is first booked, there is a difference between the transaction price and the value of the instrument obtained through internal measurement processes.

Disclosure on operating segments (IFRS 8)

The Group acts in a single operating segment³. Indeed, there are no elements of differentiation in the nature of the products and services offered, the structure of the Group's managerial and operational processes and the type of clients served that can determine different risks or benefits; on the contrary, they all show similar elements to one another, are identified under a single operating segment dedicated to brokerage and advisory activity, capable of generating income and cash flows, and are reported without any segmentation of results or performance. The accounting information for the compilation of the consolidated financial statements according to IFRS are not broken down by operating segment. Consequently, no information is provided on revenues from clients and non-current assets broken down by geographical area, nor is information provided on the degree of reliance on the clients themselves, as it is considered to be information of little relevance.

3. IFRS 8 defines an operating segment as a component of an entity: a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); b) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; c) for which discrete financial information is available

Part B

Notes to the Statement of Consolidated Financial Position

ASSETS

Section 1 - Cash and cash equivalents (Item 10)

1.1 Breakdown of cash and cash equivalents

	31 12 2022	31 12 2021
Franking machine	1,256	1,997
Cash	7,513	5,936
Foreign currency	5,844	3,663
Current account deposits with banks	13,083,855	12,825,726
Total	13,098,468	12,837,322

Section 2 - Financial assets measured at fair value through profit or loss - Item 20

2.1 Financial assets held for trading: breakdown by type

	31 12 2022			31 12 2021		
	L1	L2	L3	L1	L2	L3
A. On-balance sheet assets						
1. Debt securities	4,059,673	2,260,230	3,002	7,342,068	1,637,373	3,044
1.1 structured securities	-	-	-	-	-	-
1.2 other debt securities	4,059,673	2,260,230	3,002	7,342,068	1,637,373	3,044
2. Equity securities	43,469,716	-	336,806	91,873,369	-	108,719
3. Stakes in UCITS	2,781	-	9,250	375,231	-	-
4. Loans	-	-	-	-	-	-
5. Others	-	-	-	-	-	-
Total A	47,532,170	2,260,230	349,058	99,590,668	1,637,373	111,763
B. Derivative instruments						
1. Financial derivatives	20,412,832	14,918,711	206	25,722,054	9,161,501	102,401
1.1 held for trading	20,412,832	14,918,711	206	25,722,054	9,161,501	102,401
1.2 connected with fair value option	-	-	-	-	-	-
1.3 others	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 held for trading	-	-	-	-	-	-
2.2 connected with fair value option	-	-	-	-	-	-
2.3 others	-	-	-	-	-	-
Total B	20,412,832	14,918,711	206	25,722,054	9,161,501	102,401
Total A+B	67,945,002	17,178,941	349,264	125,312,722	10,798,874	214,164

Level 1 financial assets include debt and equity securities and derivative financial instruments listed on active markets.

Level 2 financial assets, a minimal amount, include bonds predominantly issued by banks (national and international) that are not listed on active markets but traded on OTC markets by market makers/brokers. There are also OTC derivative instruments, made up of put and call options on currencies and commodities, and bank securities. For the valuation methodology refer to table A.4.5.1

Among level 3 financial assets are bonds and U.C.I.T.S stakes that are non-listed or whose prices have been stable for more than two weeks. For the valuation methodology refer to the final section of table A.4.5.1.

Legend:

L1 = Level 1

L2 = Level 2

L3 = Level 3

2.2 Derivative financial instruments

Total as at 31/12/2022					Total as at 31/12/2021				
Over the counter					Over the counter				
	No central counterparty					No central counterparty			
Central counterparty	With clearing agreements	Without clearing agreements	Organised markets		Central counterparty	With clearing agreements	Without clearing agreements	Organised markets	
1. Debt and interest rate securities									
-Notional value	-	-	-	-	-	-	-	-	-
-Fair value	-	-	-	-	-	-	-	-	-
2. Equity and equity index securities									
-Notional value	-	86,175,317	-	20,412,832	-	62,151,781	-	25,722,054	
-Fair value	-	14,918,917	-	20,412,832	-	9,263,902	-	25,722,054	
3. Currencies and gold									
-Notional value	-	-	-	-	-	-	-	-	-
-Fair value	-	-	-	-	-	-	-	-	-
4. Loans									
-Notional value	-	-	-	-	-	-	-	-	-
-Fair value	-	-	-	-	-	-	-	-	-
5. Commodities									
-Notional value	-	-	-	-	-	-	-	-	-
-Fair value	-	-	-	-	-	-	-	-	-
6. Other									
-Notional value	-	-	-	-	-	-	-	-	-
-Fair value	-	-	-	-	-	-	-	-	-
Total	-	14,918,917	-	20,412,832	-	9,263,902	-	25,722,054	

2.3 Breakdown of financial assets held for trading: breakdown by debtors / issuers / counterparties

	Totale 31 12 2022	Totale 31 12 2021
	Total as at 31/12/2022	Total as at 31/12/2021
A. ON-BALANCE SHEET ASSETS		
1. Debt securities	6,322,905	8,982,485
a) Public bodies	3,088,200	1,215,471
b) Banks	2,004,207	5,518,085
c) Other financial companies	5,215	311,211
of which: insurance companies	-	109,286
d) Non-financial companies	1,225,283	1,937,718
2. Equity securities	43,806,522	96,207,254
a) Banks	3,833,744	15,302,088
b) Other financial companies	3,536,565	4,623,284
of which: insurance companies	-	773,480
c) Non-financial companies	36,436,213	72,056,711
d) Others	-	4,225,171
3. Stakes in UCITs	12,031	375,231
4. Loans	-	-
a) Public bodies	-	-
b) Banks	-	-
c) Other financial companies	-	-
of which: insurance companies	-	-
d) Non-financial companies	-	-
e) Households	-	-
Total A	50,141,458	105,564,970
B. DERIVATIVE FINANCIAL INSTRUMENTS		
a) Central counterparties	-	-
b) Others	35,331,749	34,985,956
Total B	35,331,749	34,985,956
Total A + B	85,473,207	140,550,926

The breakdown of financial assets by debtor/issuer has been compiled according to the criteria provided by the Bank of Italy. Notice is drawn to the fact that there are no outstanding equity securities from issuers classed as non-performing or unlikely to pay.

Section 4 – Financial assets measured at amortised cost - Item 40

4.1 Breakdown of Item 40 "Financial assets measured at amortised cost": Loans and receivables with banks

	Total as at 31/12/2022						Total as at 31/12/2021					
	Carrying amount			Fair Value			Carrying amount			Fair Value		
Breakdown	Stages 1 and 2	Stage 3	of which: purchased or originated credit-impaired loans	L 1	L 2	L 3	Stages 1 and 2	Stage 3	of which: purchased or originated credit-impaired loans	L 1	L 2	L 3
1. Loans and receivables	19,506,605	-	-	-	-	19,506,605	36,297,282	-	-	-	-	36,297,282
1.1 Term deposits	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Current accounts	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Receivables for services	1,373,955	-	-	-	-	1,373,955	15,236,541	-	-	-	-	15,236,541
trading	1,373,955	-	-	-	-	1,373,955	15,236,541	-	-	-	-	15,236,541
order collection	-	-	-	-	-	-	-	-	-	-	-	-
consultancy	-	-	-	-	-	-	-	-	-	-	-	-
placements	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Repurchase agreements	18,132,650	-	-	-	-	18,132,650	21,060,741	-	-	-	-	21,060,741
-of which government securities	-	-	-	-	-	-	-	-	-	-	-	-
-of which other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
-of which equity securities	18,132,650	-	-	-	-	18,132,650	21,060,741	-	-	-	-	21,060,741
1.5 Other loans	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	19,506,605	-	-	-	-	19,506,605	36,297,282	-	-	-	-	36,297,282

For these items, which are predominantly on demand or with short-term maturities, the carrying amount has been considered a good approximation of the fair value. All loans and receivables related to the provision of assets and financial services are included. Specifically, the sums shown relate to current accounts held at banks. The sums also include deposits at banks for derivative transactions, receivables for trading services provided to banks, and receivables deriving from ongoing trading transactions. They also include equity borrowing transactions deposited at the *Monte Titoli* depository or foreign depositories.

Legend:

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.2 Breakdown of Item 40 "Financial assets measured at amortised cost": Loans and receivables with other financial institutions

	Total as at 31/12/2022						Total as at 31/12/2021					
	Carrying amount			Fair Value			Carrying amount			Fair Value		
Breakdown	Stages 1 and 2	Stage 3	of which: purchased or originated credit-impaired loans	L 1	L 2	L 3	Stages 1 and 2	Stage 3	of which: purchased or originated credit-impaired loans	L 1	L 2	L 3
1. Loans and receivables	69,427,013	-	-	-	-	69,427,013	123,809,994	-	-	-	-	123,809,994
1.1 Receivables for services	68,109,727	-	-	-	-	68,109,727	120,375,263	-	-	-	-	120,375,263
margin deposits	67,648,136	-	-	-	-	67,648,136	120,101,116	-	-	-	-	120,101,116
trading	461,591	-	-	-	-	461,591	274,147	-	-	-	-	274,147
order collection	-	-	-	-	-	-	-	-	-	-	-	-
consultancy	-	-	-	-	-	-	-	-	-	-	-	-
placement	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
-of which on government bonds	-	-	-	-	-	-	-	-	-	-	-	-
-of which on other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
-of which on equity securities	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Other loans	1,317,286	-	-	-	-	1,317,286	3,434,731	-	-	-	-	3,434,731
2. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	69,427,013	-	-	-	-	69,427,013	123,809,994	-	-	-	-	123,809,994

For these items, which are predominantly on demand or with short-term maturities, the book value has been considered a good approximation of the fair value. All operational loans and receivables related to the provision of assets and financial services are included. For the most part the sums shown relate to deposits at clearing houses for derivative transactions. Also included are ongoing trading operations, and receivables of fees for services provided to institutional clients.

Legend:

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.3 Breakdown of Item 40 "Financial assets measured at amortised cost": Loans and receivables with clients

Breakdown	Total as at 31/12/2022						Total as at 31/12/2021					
	Book Value			Fair Value			Book Value			Fair Value		
	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired loans	L 1	L 2	L 3	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired loans	L 1	L 2	L 3
1. Loans and receivables	4,185,645	-	-	-	-	4,185,645	7,796,357	-	-	-	-	7,796,357
1.2 Receivables for services	4,075,902	-	-	-	-	4,075,902	7,684,740	-	-	-	-	7,684,740
trading	-	-	-	-	-	-	-	-	-	-	-	-
order reception	-	-	-	-	-	-	-	-	-	-	-	-
consultancy	4,075,902	-	-	-	-	4,075,902	7,684,740	-	-	-	-	7,684,740
placement	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
-of which on government bonds	-	-	-	-	-	-	-	-	-	-	-	-
-of which on other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
-of which on equity securities	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Other loans	109,743	-	-	-	-	109,743	111,617	-	-	-	-	111,617
2. Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	-	-	-	-	-	-	-	-	-	-	-	-
Total	4,185,645	-	-	-	-	4,185,645	7,796,357	-	-	-	-	7,796,357

For these items, which are predominantly on demand or with short-term maturities, the carrying value has been considered a good approximation of the fair value. The fair value thus determined has been classified at level 3 in the fair value hierarchy. Specifically, the sums shown relate to receivables for consultancy on services provided (Specialist, Nomad, Placements, Advisory, Liquidity provision, etc.)

Legend:

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.4 "Financial assets measured at amortised cost": Gross value and net impairment losses

	Gross Value					Net impairment loss				Partial gross write-offs
	Stage 1	of which: securities with low credit risk	Stage 2	Stage 3	Purchased or originated credit-impaired loans	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired loans	
Debt securities	-	-	-	-	-	-	-	-	-	-
Loans and receivables	93,119,263	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total as at 31/12/2022	93,119,263	-	-	-	-	-	-	(146,930)	-	-
Total as at 31/12/2021	167,903,633	-	-	-	-	-	-	24,591	-	-

The absence of value adjustments referring to the financial assets valued at amortized cost classified in the "First stage" comes from the "short-term" maturity of the same, and from the fact that they will be mostly collected at the end of the I quarter 2022. It should be noted that out of the amount of financial assets measured at fair value amounting to 93,119,261 euros, more than 80% are transactions with Cassa di Compensazione e Garanzia and equity securities lending transactions.

Section 8 - Property and equipment - Item 80

8.1 Property and equipment for business use: breakdown of assets measured at cost

	Totale 31 12 2022	Totale 31 12 2021
1. Owned		
a) land	-	-
b) buildings	-	-
c) furnishings	7,468	10,409
d) electronic equipment	268,713	441,078
e) other assets	26,784	86,199
2. Right of usage acquired through lease		
a) land	-	-
b) buildings	3,283,309	3,995,285
c) furnishings	-	-
d) electronic equipment	-	-
e) other assets	-	-
Total	3,586,274	4,532,971

8.5 Property and equipment for business use: annual changes

	Land	Buildings	Furnishings	Electronic equipment	Others	Total
A. Gross opening balance as at 01/01/2022	-	3,995,285	10,409	441,078	86,199	4,532,971
A.1 Net total impairment losses	-	-	-	-	-	-
A.2 Net opening balance as at 01/01/2022	-	3,995,285	10,409	441,078	86,199	4,532,971
B. Increases	-	-	-	39,721	1,246	40,967
B.1 Acquisitions	-	-	-	39,721	1,246	40,967
B.2 Capitalised spending on improvements	-	-	-	-	-	-
B.3 Reversals of impairment losses	-	-	-	-	-	-
B.4 Fair value gains	-	-	-	-	-	-
recognised in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) profit or loss	-	-	-	-	-	-
B.5 Exchange rate gains	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	-	-	-	-
B.7 Other increases	-	-	-	-	-	-
C. Decreases	-	(711,976)	(2,941)	(212,086)	(60,661)	(987,664)
C.1 Sales	-	-	-	-	-	-
C.2 Depreciation	-	(711,976)	(2,941)	(212,086)	(60,661)	(987,664)
C.3 Impairment losses	-	-	-	-	-	-
recognised in :	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) profit or loss	-	-	-	-	-	-
C.4 Fair value losses	-	-	-	-	-	-
recognised in :	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) profit or loss	-	-	-	-	-	-
C.5 Exchange rate losses	-	-	-	-	-	-
C.6 Transfers	-	-	-	-	-	-
a) property and equipment held for investment	-	-	-	-	-	-
b) non-current assets held for sale	-	-	-	-	-	-
C.7 Other decreases	-	-	-	-	-	-
D. Net closing balance as at 31/12/2022	-	3,283,309	7,468	268,713	26,784	3,586,274
D.1 Net total impairment losses	-	-	-	-	-	-
D.2 Gross closing balance as at 31/12/2022	-	3,283,309	7,468	268,713	26,784	3,586,274
E. Cost measurement						

Property and equipment items are included in the financial statements at cost and are depreciated on the basis of the real economic/ technical impairment. No revaluations have ever been recorded.

8.7 Commitments for the purchase of equipment and property

It is reported that, in accordance with the provisions of IAS 16, para.74 c), the company has signed no commitments/orders for asset purchases.

Section 9 - Intangible assets - Item 90

9.1 Breakdown of "Intangible assets"

	Total as at 31/12/2022		Total as at 31/12/2021	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
1. Goodwill	-	-	-	-
2. Other intangible assets	94,309	-	60,865	-
2.1) generated in-house	-	-	-	-
2.2) others	94,309	-	60,865	-
TOTAL	94,309	-	60,865	-

The "Intangible assets" entered in the balance sheet are mainly composed of software licences, booked at cost

9.2 "Intangible assets" annual changes

	Total
A. Opening balance as at 01/01/2022	60,865
B. Increases	
B.1 Purchases	104,158
B.2 Reversals of impairment losses	-
B.3 Fair value gains recognised in :	-
- equity	-
- profit or loss	-
B.4 Other changes	-
C. Decreases	
C.1 Sales	-
C.2 Depreciation	(70,714)
C.3 Impairment losses	-
- equity	-
- profit or loss	-
C.4 Fair value losses recognised in :	-
- equity	-
- profit or loss	-
C.5 Other changes	-
D. Closing balance as at 31/12/2022	94,309

Section 10 - Tax assets and liabilities - Item 100 of assets and Item 60 of liabilities

10.1 Breakdown of "Current and deferred tax assets"

"CURRENT TAX ASSETS"

	31 12 2022	31 12 2021
Pre-paid corporate income tax (IRES)	3,363,129	3,093,732
Pre-paid regional business tax (IRAP)	200,000	206,191
Credit from Patent Box	-	226,218
Interim tax payment for revaluation of post-employment benefits	-	26
Withholding for capital gains tax	569,751	893,705
Other assets and deductions, to be recovered after lodgement of tax return	183,382	12,485
Current tax assets	4,316,262	4,432,357

Tax effects are recognised according to principles consistent with those for the recognition of the events and transactions that generated them.

"DEFERRED TAX ASSETS"

	31 12 2022		31 12 2021	
	IRES	IRAP	IRES	IRAP
Personnel expense	1,123,569	-	1,032,462	-
Impairments for issuers	21,341	-	28,080	-
Maintenance expense	-	-	-	-
Leasehold improvements	6,000	-	-	-
Carry-forward losses from previous fiscal year	181,998	-	114,165	-
Provision for risks	120,000	-	120,000	-
Deferred tax assets	1,452,908	-	1,294,707	-
TOTAL	1,452,908		1,294,707	

Assets and liabilities are measured applying the tax rates to the nominal value of the temporary differences in force in the periods when reversals of the same temporary differences occur, taking into account the tax rates in force at the reporting date.

10.2 Breakdown of "Current and deferred tax liabilities"

"CURRENT TAX LIABILITIES"

	31 12 2022	31 12 2021
Corporate income tax (IRES) liabilities	2,589,973	3,835,195
Regional business tax (IRAP) liabilities	148,214	259,954
Current tax liabilities	2,738,187	4,095,149

"DEFERRED TAX LIABILITIES"

	31 12 2022	31 12 2021
Dividends	71,938	86,675
Deferred tax liabilities	71,938	86,675

10.3 Changes in deferred tax assets (through profit and loss)

	31 12 2022		31 12 2021	
	IRES	IRAP	IRES	IRAP
1. Opening balance	1,294,707	-	594,278	-
2. Increases				
2.1 Deferred tax assets recognised in the year:	-	-	-	-
a) relating to previous years	-	-	24,000	-
b) due to changes in accounting criteria	-	-	-	-
c) reversals of impairment losses	-	-	-	-
d) others	416,517	-	-	-
2.2 New taxes or increases in tax rates	-	-	1,005,951	-
2.3 Other increases	-	-	-	-
		-	-	-
3. Decreases				
3.1 Deferred tax assets derecognised in the year:	-	-	-	-
a) reversals	(120,948)	-	(224,527)	-
b) impairment losses due to irrecoverable positions	-	-	-	-
c) due to changes in accounting criteria	-	-	-	-
d) others	(137,367)	-	(104,995)	-
3.2 Reduction in tax rates	-	-	-	-
3.3 Other decreases	-	-	-	-
a) Transfer into tax assets in accordance with law 214/2011	-	-	-	-
b) Others	-	-	-	-
4. Closing balance	1,452,909	-	1,294,707	-
TOTAL	1,452,909		1,294,707	

10.4 Changes in deferred tax liabilities (through profit and loss)

	31 12 2022		31 12 2021	
	IRES	IRAP	IRES	IRAP
1. Opening balance	86,675	-	97,073	-
2. Increases				
2.1 Deferred tax liabilities recognised in the year:	-	-	-	-
a) relating to previous years	-	-	-	-
b) due to changes in accounting criteria	-	-	-	-
c) others	71,938	-	86,675	-
2.2 New taxes or increases in tax rates	-	-	-	-
2.3 Other increases	-	-	-	-
		-	-	-
3. Decreases				
3.1 Deferred tax liabilities derecognised in the year:	-	-	-	-
a) reversals	(86,675)	-	(97,073)	-
b) due to changes in accounting criteria	-	-	-	-
c) others	-	-	-	-
3.2 Reduction in tax rates	-	-	-	-
3.3 Other decreases	-	-	-	-
4. Closing balance	71,938	-	86,675	-
TOTAL	71,938		86,675	

Section 12 - Other assets - Item 120

12.1 Breakdown of Item 120 "Other assets"

	31 12 2022	31 12 2021
Guarantee deposits	300	300
CO2 emissions credits	575,638	4,225,167
Tax credits	256,660	-
Accrued income	472,365	390,219
Other assets	449,719	287,396
Total	1,754,682	4,903,082

"Prepaid expenses" are calculated on costs that are financially incurred during the current year but are, in whole or in part, accrued in subsequent periods, the tax credit refers to the listing on the Euronext Growth Milano market, and the CO2 Units are Eau units in the portfolio as of the closing of the financial statements.

LIABILITIES

Section 1 - Financial liabilities measured at amortised cost - Item 10

1.1 Breakdown of "Financial liabilities measured at amortised cost": Amounts due

	Total as at 31/12/2022			Total as at 31/12/2021		
	Due to banks	Due to other financial backers	Due to customers	Due to banks	Due to other financial backers	Due to customers
1. Loans	34,453,198	-	-	122,436,713	-	4,372,269
1.1 Repurchase agreements	21,131,774	-	-	75,316,789	-	-
- of which government securities	-	-	-	-	-	-
- of which other debt securities	-	-	-	-	-	-
- of which equity securities	21,131,774	-	-	75,316,789	-	-
1.2 Loans	13,321,424	-	-	47,119,924	-	4,372,269
2. Lease liabilities	3,535,878	-	-	4,221,055	-	-
3. Other	614,663	716,595	16,659,106	10,984,044	5,702,672	453,100
Total	38,603,739	716,595	16,659,106	137,641,812	5,702,672	4,825,369
Fair value - level 1	-	-	-	-	-	-
Fair value - level 2	-	-	-	-	-	-
Fair value - level 3	38,603,739	716,595	16,659,106	137,641,812	5,702,672	4,825,369
Total fair value	38,603,739	716,595	16,659,106	137,641,812	5,702,672	4,825,369

Regarding accounts payable to banks and financial institutions these are mainly current account relationships held with credit institutions and securities lending transactions on equity securities. Loans include lines of credit and loans with credit institutions. Other payables relate to pending trading transactions. With regard to amounts due to customers these are mainly amounts with maturities in the short term whose carrying value was considered a good approximation of fair value and were conventionally classified as Level 3. It should be noted that there are no amounts due to financial promoters or subordinated debts.

Section 2 - Financial liabilities held for trading - Item 20

2.1 Breakdown "Financial liabilities held for trading"

Liabilities	Total as at 31/12/2022					Total as at 31/12/2021				
	Fair value			FV*	NV	Fair value			FV*	NV
	L1	L2	L3			L1	L2	L3		
A. On-statement of financial position liabilities										
1. Due to banks, other financial backers and customers	15,779,572	-	134,628	15,914,200	3,093,207	15,128,439	-	134,628	15,263,067	2,865,074
2. Debt securities	-	-	-	-	-	-	-	-	-	-
- Bonds	-	-	-	-	-	-	-	-	-	-
- structured	-	-	-	-	-	-	-	-	-	-
- other bonds	-	-	-	-	-	-	-	-	-	-
- other securities	-	-	-	-	-	-	-	-	-	-
- structured	-	-	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-	-	-
Total A	15,779,572	-	134,628	15,914,200	3,093,207	15,128,439	-	134,628	15,263,067	2,865,074
B. Derivative instruments										
1. Financial derivatives	49,372,363	1,356,951	-	50,729,314	551,421,696	72,003,739	10,480,929	-	82,484,668	811,958,256
- trading	49,372,363	1,356,951	-	50,729,314	551,421,696	72,003,739	10,480,929	-	82,484,668	811,958,256
- connected with the fair value option	-	-	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-	-	-	-	-
- trading	-	-	-	-	-	-	-	-	-	-
- connected with the fair value option	-	-	-	-	-	-	-	-	-	-
- others	-	-	-	-	-	-	-	-	-	-
Total B	49,372,363	1,356,951	-	50,729,314	551,421,696	72,003,739	10,480,929	-	82,484,668	811,958,256
Total A+B	65,151,935	1,356,951	134,628	66,643,514	554,514,903	87,132,178	10,480,929	134,628	97,747,735	814,823,330

FV* = Fair Value calculated by excluding changes in value due to changes in the issuer's creditworthiness from the date of issue

NV = Nominal/notional value

All financial instruments recorded under financial liabilities for trading are valued at their fair value.

The sub-item "Payables" includes sales of equity securities supported by the right to receive these securities through securities lending contracts. Please note that there are no subordinated or structured financial liabilities.

Legend : L1 = Level 1 L2 = Level 2 L3 = Level 3

2.4 Financial liabilities held for trading: derivative financial instruments

Underlying asset/Type of derivative	Total as at 31/12/2022				Total as at 31/12/2021			
	Over the counter			Organised markets	Over the counter			Organised markets
	No central counterparty				No central counterparty			
	Central counterparty	With clearing agreements	Without clearing agreements		Central counterparty	With clearing agreements	Without clearing agreements	
7. Debt and interest rate securities								
–Notional value	-	-	-	-	-	-	-	-
–Fair value	-	-	-	-	-	-	-	-
8. Equity and equity index securities								
–Notional value	-	60,123,584	-	491,298,112	-	70,778,968	-	741,179,288
–Fair value	-	1,356,951	-	49,372,363	-	10,480,929	-	72,947,040
9. Currencies and gold								
–Notional value	-	-	-	-	-	-	-	-
–Fair value	-	-	-	-	-	-	-	-
10. Loans								
–Notional value	-	-	-	-	-	-	-	-
–Fair value	-	-	-	-	-	-	-	-
11. Commodities								
–Notional value	-	-	-	-	-	-	-	-
–Fair value	-	-	-	-	-	-	-	-
12. Other								
–Notional value	-	-	-	-	-	-	-	-
–Fair value	-	-	-	-	-	-	-	-
Total	-	1,356,951	-	49,372,363	-	10,480,929	-	72,947,040

"Equity securities and equity indices" is valued at a fair value of 1,356,951 euros, against a notional value of 60,123,584 euros, and refers entirely to call and put options on shares.

Section 6 - Tax liabilities - Item 60

See section 10 of assets

Section 8 - Other liabilities - Item 80

8.1 Breakdown of "Other liabilities"

	31 12 2022	31 12 2021
Tax liabilities	1,284,264	1,478,924
Due to social security institutions	555,725	537,708
Due to employees and freelancers	6,349,130	9,781,451
Due to suppliers	545,685	428,243
Amounts due for invoices to be received	353,006	359,457
Deferred income that cannot be attributed to a specific item	1,311,871	1,189,244
Amounts due for foreign taxes	141,441	144,855
Other amounts due	880,616	1,087,035
Total	11,421,738	15,006,917

With reference to the Russian-Ukrainian conflict, it should be noted that the Group is not directly or indirectly exposed and that there are no existing relationships with suppliers, creditors and/or business partners operating in the countries involved in the war.

"Other liabilities" mainly consist of payables to personnel and include the amount of the bonus accrued as of December 31, 2022 to be paid in subsequent years, deferred income on revenues that have already had a financial manifestation but are accrued, in whole or in part, in the following year, payables to suppliers for invoices already received, accruals for invoices not yet received from suppliers as of the balance sheet date, and payables to tax authorities and social security institutions, mainly for IRPEF withholdings and INPS contributions related to employees.

Section 9 - Post-employment benefits - Item 90

9.1 Post-employment benefits: annual changes

	Total as at 31 12 2022	Total as at 31 12 2021
A. Opening balance	92,377	55,025
B Increases		
B.1 Accruals for the year	37,874	37,352
B.2 Other increases	-	-
C Decreases		
C.1 Amounts paid to leavers	(2,482)	-
C.2 Other decreases	-	-
D. Closing balance	127,769	92,377

As of 1st January 2007, pursuant to the 2007 Finance Act and related implementing legislation, new post-employment benefits may be channelled by the employee into complementary pension funds or kept within the company (in which case the company pays post-employment benefits to a treasury account set up with INPS, the government social security department). The indemnities directed to complementary pension funds do not go through the company's provision for post-employment benefits. The changes that have occurred refer to payments during the year of benefits kept in the company.

Section 10 - Provisions for risks and charges - Item 100

10.1 Breakdown of "Provisions for risks and charges"

	Total as at 31 12 2022	Total as at 31 12 2021
1. Commitments and guarantees granted	-	-
2. Company pension funds	-	-
3. Other provisions for risks and charges	4,128,361	3,241,798
3.1 legal and tax disputes	-	-
3.2 liabilities to personnel	3,628,361	2,741,798
3.3 others	500,000	500,000
Total	4,128,361	3,241,798

The provision for risks and charges mainly includes the amount of the variable component of personnel costs whose payment has been deferred.

10.2 "Company pension funds" and "Other provisions for risks and charges": annual changes

	Company pension funds	Other provisions for risks and charges	Total
A. Opening balance	2,741,798	500,000	3,241,798
B. Increases			
B.1 Accruals of the year	1,231,815	-	1,231,815
B.2 Changes due to passage of time	-	-	-
B.3 Changes due to adjustment in discount rate	-	-	-
B.4 Other changes	-	-	-
C. Decreases			
C.1 Use during the financial year	-	-	-
C.2 Changes due to adjustment in discount rate	-	-	-
C.3 Other changes	(345,252)	-	(345,252)
D. Closing balance	3,628,361	500,000	4,128,361

Section 11

Equity - Items 110, 120, 130, 140, 150 and 160

11.1 Breakdown of "Share capital"

	31 12 2022
	Amount
1. Share capital	3,290,500
1.1 Ordinary shares	3,290,500
Total share capital	3,290,500

The subscribed capital is made up of 36,195,500 ordinary shares and is fully paid up.

11.2 Breakdown of "Treasury Shares"

	31 12 2022
	Amount
1. Treasury shares	8,562,137
1.1 Ordinary shares	8,562,137
Total share capital	8,562,137

Group equity - Items 120, 160 and 170

15.1 Group equity: breakdown

	31 12 2022	31 12 2021
1. Share capital	3,290,500	3,290,500
2. Share premium	-	-
3. Reserves	50,482,348	51,188,417
a) profits	37,004,577	38,322,322
b) other	13,477,771	12,866,095
4. Treasury shares	(8,562,137)	(7,909,950)
a) parent company	(8,562,137)	(7,909,950)
b) subsidiaries	-	-
5. Valuation reserves	-	-
6. Equity instruments	-	-
7. Group profit (loss) for the year	6,537,593	7,196,024
Total	51,748,304	53,764,991

Reserves amount to 50.4 million euros and include:

- The legal reserve, established in accordance with the law, must be at least one-fifth of the share capital; as of December 31, 2022, the reserve was fully established.
- Other reserves include the portion of "capital injection" related to the effect of applying IFRS 2 as defined in the Intermonte Group's incentive plans
- The allocation of the previous year's profit

Section 12

Equity attributable to minority equity interests - Item 180

12.1 Breakdown of "Equity attributable to minority equity interests"

	Total as at 31 12 2022	Total as at 31 12 2021
1) Share capital	6,499,802	6,499,802
2) Treasury shares	(1,374,504)	(1,374,504)
3) Capital instruments	707,269	707,269
4) Share premium	1,415,311	1,415,311
5) Reserves	1,723,433	1,299,960
6) Valuation reserves	-	-
7) Profit (Loss) for the year	1,064,812	1,537,364
Total	10,036,123	10,085,202

"Treasury shares" refers to the shares repurchased attributable to minority equity interests on the basis of specific equity ratios.

Reconciliation of statutory net equity with consolidated net equity

Net Equity as at 31 december 2022

	Intermonte Partners	Intermonte SIM	Consolidation offsets and adjustments	Total as at 31 12 2022
Share capital:	3,290,500	45,950,000	(45,950,000)	3,290,500
Share premium	-	10,005,468	(10,005,468)	-
Reserves:				
a) profits	15,433,580	12,486,933	9,084,064	37,004,577
b) other	13,477,771	(303,218)	303,218	13,477,771
Valuation reserves	-	-	-	-
Equity instruments	-	5,000,000	(5,000,000)	-
Interim dividend	-	-	-	-
Treasury shares	(8,562,137)	(9,716,982)	9,716,982	(8,562,137)
Profit (Loss) for the year	6,647,088	7,527,632	(7,637,127)	6,537,593
TOTAL	30,286,802	70,949,833	(49,488,331)	51,748,304

Part C

Notes to the Consolidated Income Statement

Section 1 - Net trading income - Item 10

1.1 Breakdown of "Net trading income"

	Gains	Trading income	Losses	Trading loss	Net income (loss) to 31 12 2022
1. Financial assets					
1.1 Debt securities	46,010	2,689,093	(75,053)	(489,086)	2,170,964
1.2 Equity securities and stakes in UCITS	916,637	9,757,669	(16,521,735)	(16,465,318)	(22,312,747)
1.3 Other assets			(38,938)	(770,768)	(809,706)
2. Financial liabilities					
2.1 Debt securities	-	-	-	-	-
2.2 Loans and borrowings	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-
3. Financial assets and liabilities:					
exchange rate differences	-	4,693	-	(98,217)	(93,524)
4. Financial derivatives					
- debt securities and interest rates	-	-	-	-	-
- equity securities and share indices	16,198,519	95,060,641	(10,832,134)	(76,685,664)	23,741,362
- foreign currencies	-	-	-	-	-
- Others	-	857,610	-	-	857,610
5. Credit derivatives					
of which: natural hedges related to the fair value option	-	-	-	-	-
Total	17,161,166	108,369,706	(27,467,860)	(94,509,053)	3,553,959

There are no write-downs or trading losses attributable to assets of obvious poor credit quality of the borrower (issuer or counterparty).

Section 5 - Fees and commissions - Items 50 and 60

5.1 Breakdown of "Fee and commission income"

Detail	Total to 31 12 2022	Total to 31 12 2021
1. Proprietary trading	-	-
2. Execution of orders on behalf of customers	11,411,419	16,445,659
3. Placement and distribution	1,214,454	5,849,575
- of securities	1,214,454	5,849,575
- of third-party services	-	-
- individual portfolio management	-	-
- collective portfolio management	-	-
- insurance products	-	-
- others	-	-
4. Portfolio management	366,214	436,416
- proprietary	-	-
- for third parties	366,214	436,416
5. Receipt and transmission of orders	1,231,547	45,199
6. Investment advisory	5,508,516	4,979,295
7. Advisory on financial structure	8,682,931	4,537,681
8. Management of multilateral trading facilities	-	-
9. Management of organised trading facilities	-	-
10. Funds under custody and administration	776	6,570
11. Currency trading	-	-
12. Other services	17,466	1,200
Total	28,433,323	32,301,595

Commission income for the year came predominantly from trading on behalf of customers.

5.2 Breakdown of "Fee and commission expense"

Detail	Total to 31 12 2022	Total to 31 12 2021
1. Proprietary trading	(89,826)	(102,859)
2. Execution of orders on behalf of customers	(576,002)	(1,354,066)
3. Placement and distribution	(42,485)	(1,164,240)
- of securities	(42,485)	(1,164,240)
- of third-party services	-	-
- portfolio services	-	-
- other services	-	-
4. Portfolio management	-	(7,604)
- proprietary	-	-
- for third parties	-	(7,604)
5. Order collection	(195,342)	(774)
6. Investment advisory	(3,995)	(4,475)
7. Funds under custody and administration	-	-
8. Other services	(95,475)	(49,700)
Total	(1,003,125)	(2,683,718)

Section 6 - Interest - Items 70 and 80

6.1 Breakdown of "Interest and similar income"

	Debt securities	Loans	Others	Total to 31 12 2022	Total to 31 12 2021
1. Financial assets measured at fair value through profit or loss:	310,945	-	-	310,945	450,677
1.1 Financial assets held for trading	310,945	-	-	310,945	450,677
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Financial assets mandatorily measured at fair value	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-
3. Financial assets measured at amortised cost:	-	-	394,841	394,841	72,522
3.1. Receivables with banks	-	-	204,735	204,735	4,652
3.2 Receivables with financial backers	-	-	185,960	185,960	67,870
3.3. Receivables with customers	-	-	4,146	4,146	-
4. Hedging derivatives	-	-	-	-	-
5. Other assets	-	-	17,605	17,605	86,812
6. Financial liabilities	-	-	-	-	-
Total	310,945	-	412,446	723,391	610,011

of which: interest income from impaired financial assets

The item is predominantly composed of interest income from bonds held for trading. There is no interest income from impaired financial assets.

6.4 Breakdown of "Interest and similar expense"

	Repurchase agreements	Other loans	Securities	Others	Total to 31 12 2022	Total to 31 12 2021
1. Financial liabilities measured at amortised cost:	(537,365)	(402,018)	(2,328)	(60,433)	(1,002,144)	(1,549,467)
1.1. due to banks	(537,365)	(402,018)	-	(60,433)	(999,816)	(1,525,983)
1.2 due to financial backers	-	-	(2,328)	-	(2,328)	(23,484)
1.3. due to customers	-	-	-	-	-	-
1.4. outstanding securities	-	-	-	-	-	-
2. Financial liabilities held for trading	-	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-	-
4. Other liabilities	-	-	-	(369,576)	(369,576)	(937,854)
5. Hedging derivatives	-	-	-	-	-	-
6. Financial assets	-	-	-	-	-	-
Total	(537,365)	(402,018)	(2,328)	(430,009)	(1,371,720)	(2,487,321)

of which: interest expense on lease liabilities (60,433) (60,433) (70,770)

The item is mainly composed of interest expense deriving from loans of securities.

Section 7 - Dividends and similar income - Item 90

7.1 Breakdown of "Dividends and similar income"

	Total to 31 12 2022		Total to 31 12 2021	
	Dividends	Similar income	Dividends	Similar income
1. Financial assets held for trading	7,978,590	-	5,994,382	-
2. Financial assets mandatorily measured at fair value	-	-	-	-
3. Financial assets measured at fair value through other comprehensive income	-	-	-	-
4. Equity investments	-	-	-	-
Total	7,978,590	-	5,994,382	-

Dividends predominantly refer to the amounts received in 2022 related to securities in the proprietary portfolio.

Section 8 - Net value adjustments for credit risk - Item 120

8.1 Breakdown of "Net value adjustments for credit risk related to financial assets measured at amortised cost"

Items/Adjustments	Impairments						Reversals			Total to 31 12 2022	Total to 31 12 2021
	Stage 1	Stage 2	Stage 3		Purchased or originated credit- impaired loans		Stages 1 and 2	Stage 3	Purchased or originated credit- impaired loans		
			Write-offs	Other	Write-offs	Other					
1. Debt securities	-	-	-	-	-	-	-	-	-	-	
2. Loans	-	-	-	(146,930)	-	-	-	-	(146,930)	24,591	
Total	-	-	-	(146,930)	-	-	-	-	(146,930)	24,591	

Impairment losses recognised during the year relate to impairments of loans to customers in the Corporate sector.

Section 9 - Administrative expense - Item 140

9.1 Breakdown of "Personnel expense"

Type of expense / sector	Total to 31 12 2022	Total to 31 12 2021
1. Employees	(17,251,630)	(19,065,005)
a) wages and salaries	(13,610,574)	(15,870,186)
b) social security contributions	(2,501,036)	(2,392,966)
c) post-employment benefits	(520,130)	(502,826)
d) pension expense	-	-
e) accruals to provision for post-employment benefits	-	-
f) accruals to provision for pension fund and similar items	-	-
- to defined-contribution plans	-	-
- to defined-benefit plans	-	-
g) payments to complementary external pension funds	-	-
- to defined-contribution plans	-	-
- to defined-benefit plans	-	-
h) other expenses	(619,890)	(299,027)
2. Other active personnel	(104,819)	(1,885,764)
3. Directors and statutory auditors	(878,622)	(880,924)
4. Personnel entering retirement	-	-
5. Recovery of expense for employees seconded to other companies	-	-
6. Reimbursement of expense for employees seconded to the company	-	-
Total	(18,235,071)	(21,831,693)

9.2 Average number of employees by category

	2022	2021
Executives	19	16
Managers	56	56
Other employees	55	52
Total	130	124

The average number of employees is calculated as the weighted average number of employees where the weighting is given by the number of months worked in the year.

9.3 Breakdown of "Other administrative expenses"

	Total to 31 12 2022	Total to 31 12 2021
Fees to external consultants	(895,290)	(561,395)
Expenses for listing on Euronext Growth Milan	(10,830)	(737,283)
Indirect taxes and duties	(114,584)	(120,725)
Rental of premises and associated expenses	(116,901)	(108,420)
Cleaning of premises	(45,002)	(45,002)
Energy costs	(167,066)	(95,700)
Telephone expenses	(43,144)	(48,873)
Insurance premiums	(42,019)	(42,018)
Office supplies	(40,522)	(47,750)
Subscriptions, books and magazines	(19,752)	(20,567)
Client entertainment expenses and gifts of over € 50	(601,312)	(477,210)
Travel, hotel and restaurant	(126,186)	(47,839)
Advertising and publishing expenses	(14,779)	(3,815)
Contributions to trade associations	(295,142)	(238,505)
Furniture, plant and system maintenance	(119,064)	(111,571)
Information services	(2,551,553)	(2,270,698)
Expenses for access to the market	(3,368,237)	(3,494,260)
Other hardware and software expenses	(541,368)	(544,366)
Others	(61,566)	(122,661)
Total	(9,174,317)	(9,138,658)

Section 11 - Depreciation and net impairment losses on property and equipment - Item 160

11.1 Breakdown of "Depreciation and net impairment losses on property and equipment"

	Depreciation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Net loss (a-b+c)	Net loss
				31 12 2022	31 12 2021
1 Used in operations	(987,664)	-	-	(987,664)	(975,688)
- Proprietary	(275,688)	-	-	(275,688)	(263,712)
- Right-of-use assets	(711,976)	-	-	(711,976)	(711,976)
1 Used in operations	-	-	-	-	-
- Proprietary	-	-	-	-	-
- Right-of-use assets	-	-	-	-	-
Total	(987,664)	-	-	(987,664)	(975,688)

The value of property and equipment is depreciated to reflect its effective technical and economic deterioration.

No impairment of proprietary assets entered in the balance sheet has been necessary given the fact that no impairment indicators have been identified.

Section 12 - Amortisation and net impairment losses on intangible assets - Item 170

12.1 Breakdown of "Amortisation and net impairment losses on intangible assets"

	Amortisation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Net result (a-b+c)	Net result
				31 12 2022	31 12 2021
1. Goodwill	-	-	-	-	-
2. Intangible assets	-	-	-	-	-
2.1 Proprietary	(70,714)	-	-	(70,714)	(70,373)
Used in operations	-	-	-	-	-
Others	(70,714)	-	-	(70,714)	(70,373)
2.2 Acquired through finance lease	-	-	-	-	-
Total	(70,714)	-	-	(70,714)	(70,373)

The amount of intangible assets is amortised to reflect its effective technical and economic deterioration.

No impairment of proprietary assets entered in the balance sheet has been necessary given the fact that no impairment indicators have been identified pursuant to IAS 36.

Section 13 - Other operating income and expense - Item 180

13.1 Breakdown of "Other operating income and expense"

OTHER INCOME

	Total 31 12 2022	Total 31 12 2021
Other revenues	1,040,471	318,811
Total	1,040,471	318,811

OTHER EXPENSE

	Total 31 12 2022	Total 31 12 2021
Bank fees and charges	(421,719)	(316,307)
Other	(68,640)	(93,147)
Total	(490,359)	(409,454)

Section 14 - Profits (Losses) from Equity Investments - Item 200

14.1 Breakdown of profits (losses) from equity investments

	Total to 31 03 2022	Total to 31 12 2021
1. Income	-	-
1.1 Revaluations	-	-
1.2 Profits from disposals	-	-
1.3 Reversals of impairment losses	-	-
1.4 Other income	-	-
2. Expenses	-	-
2.1 Impairments	-	-
2.2 Losses from disposals	-	-
2.3 Impairment losses	-	-
2.4 Other expenses	-	-
Net result	-	-

Section 18 - Tax on income from continuing operations - Item 250

18.1 Breakdown of "Tax on income from continuing operations"

	Total 31 12 2022			Total 31 12 2021		
	IRES	IRAP	Others	IRES	IRAP	Others
1. Current taxes (-)	(2,589,973)	(148,214)	-	(3,835,195)	(259,954)	-
2. Changes in current taxes from previous years (+/-)	4,493	-	-	341,830	53,694	-
3. Decrease in current taxes for the year (+)	-	-	-	-	-	-
3. ii) Decrease in current taxes for the year due to tax assets in accordance with law 214/2011 (+)	-	-	-	-	-	-
4. Changes in deferred tax assets (+/-)	158,203	-	-	700,428	-	-
5. Changes in deferred tax liabilities (+/-)	(71,938)	-	-	(86,672)	-	-
	(2,499,215)	(148,214)	-	(2,879,609)	(206,260)	-
Income taxes for the year (-) (-1+/-2+3+3.ii+/-4+/-5)	(2,647,429)			(3,085,869)		

18.2 Reconciliation between theoretical and actual taxation

	31 12 2022	31 12 2021
(A) Pre-tax profit (loss) from continuing operations	7,602,405	8,733,388
(B) Pre-tax profit (loss) from non-current assets held for sale	-	-
(A+B) Pre-tax profit (loss)	7,602,405	8,733,388
Current IRES tax rate (%)	24.0%	24.0%
Theoretical taxation	(1,824,577)	(2,096,013)
Regional business tax (IRAP)	-	-
Permanent differences	(827,345)	(1,385,380)
Impairment losses/reversals of impairment losses on deferred tax assets and previously unrecognised deferred tax assets	-	-
Change in current taxes for previous years	4,493	395,524
Other	-	-
Income tax for the year	(2,647,429)	(3,085,869)
of which:		
Tax on income from continuing operations	(2,647,429)	(3,085,869)
Tax on income from non-current assets held for sale	-	-

Part D

Further Information

Section 1 - Details of operations

Proprietary trading

A.1 PROPRIETARY TRADING

	Transactions with group counterparties	Transactions with other counterparties
A - Acquisitions in the year		
A1. Debt securities	-	-
A2. Equity securities	-	5,524,241
A3. Stakes in UCITs	-	59,570
A4. Derivative instruments	-	1,446,423,977
- financial derivatives	-	1,446,423,977
- credit derivatives	-	-
B - Sales in the year		
B1. Debt securities	-	-
B2. Equity securities	-	5,532,485
B3. Stakes in UCITs	-	58,909
B4. Derivative instruments	-	1,184,749,601
- financial derivatives	-	1,184,749,601
- credit derivatives	-	-

B. Execution of customer orders

B.1 EXECUTION OF CUSTOMER ORDERS

	Transactions with group counterparties	Transactions with other counterparties
A - Acquisitions in the year		
A1. Debt securities	-	2,075,793,026
A2. Equity securities	-	8,332,207,470
A3. Stakes in UCITs	-	2,610,662,405
A4. Derivative instruments	-	1,884,610,133
- financial derivatives	-	1,884,610,133
- credit derivatives	-	-
B - Sales in the year		
B1. Debt securities	-	1,881,454,569
B2. Equity securities	-	6,415,097,803
B3. Stakes in UCITs	-	2,392,846,683
B4. Derivative instruments	-	1,304,534,057
- financial derivatives	-	1,304,534,057
- credit derivatives	-	-

C. Portfolio management

C.1 OVERALL VALUE OF PORTFOLIO MANAGEMENT

	Total as at 31 12 2022		Total as at 31 12 2021	
	Proprietary	For third parties	Proprietary	For third parties
1. Debt securities	166,009	1,074,029	-	11,116,349
of which government securities	118,022	1,074,029	-	845,040
2. Equity securities	29,751	54,951,012	-	72,645,829
3. Stakes in UCITs	146,739	-	-	-
4. Derivative instruments	-	-	-	-
- financial derivatives	-	-	-	27,230
- credit derivatives	-	-	-	-
5. Other assets	-	-	-	-
6. Liabilities	-	-	-	-
Total for managed portfolios	294,512	56,025,041	-	83,762,178

C.2 PROPRIETARY AND THIRD-PARTY PORTFOLIO MANAGEMENT: ACTIVITY DURING THE YEAR

	Countervalue		
	Transactions with Group counterparties	Transactions with other counterparties	SIM operations
A. Proprietary management			
A.1 Acquisitions in the year	385,390	-	-
A.2 Sales in the year	43,392	-	-
B. Management for third parties			
B.1 Acquisitions in the year	-	189,262,992	-
B.2 Sales in the year	-	215,973,012	-

C.3 PROPRIETARY MANAGEMENT: NET INFLOWS AND NUMBER OF CONTRACTS

	Total to 31 12 2022	Total to 31 12 2021
Inflows in the year	400,000	-
Outflows in the year	-	-
Number of contracts	1	-

D. Placements

D.1 PLACEMENTS WITH OR WITHOUT GUARANTEE

Countervalue	Total to 31 12 2022	Total to 31 12 2021
1. Securities placed with guarantee		
1.1 Structured securities	-	-
- for transactions carried out by group companies	-	-
- for other transactions	-	-
1.2 Other securities	33,927,600	97,020,001
- for transactions carried out by group companies	-	-
- for other transactions	33,927,600	97,020,001
Total securities placed with guarantee (A)	33,927,600	97,020,001
2. Securities placed without guarantee		
2.1 Structured securities	-	-
- for transactions carried out by group companies	-	-
- for other transactions	-	-
2.2 Other securities	36,999,987	53,392,409
- for transactions carried out by group companies	-	-
- for other transactions	36,999,987	53,392,409
Total securities placed without guarantee (B)	36,999,987	53,392,409
Total securities placed (A+B)	70,927,587	150,412,410

E. Receipt and transmission of orders

E.1 RECEIPT AND TRANSMISSION OF ORDERS

	Countervalue	
	Transactions with group counterparties	Transactions with other counterparties
A - Purchase orders brokered during the year		
A1. Debt securities	-	1,764,377,315
A2. Equity securities	-	783,825,931
A3. Stakes in UCITs	-	435,363,427
A4. Derivative instruments	-	-
- financial derivatives	-	-
- credit derivatives	-	-
A5. Other	-	-
B - Sale orders brokered during the year		
B1. Debt securities	-	1,957,206,085
B2. Equity securities	-	787,340,093
B3. Stakes in UCITs	-	460,620,064
B4. Derivative instruments	-	-
- financial derivatives	-	-
- credit derivatives	-	-
B5. Other	-	-

There were no transactions with group counterparties during fiscal year 2022, similar to the previous fiscal year

F. Consultancy activities:

	31 12 2022	31 12 2021
Corporate consultancy	8,782,931	4,537,681
Online institutional financial analysis and reports	992,552	1,031,835
Online retail financial analysis and reports	207,599	240,703
Instrumental consultancy	2,402,767	1,925,268
Management and other consultancy	1,905,598	1,781,490
Total	14,291,447	9,516,977

H. Custody and administration of financial instruments

	31 12 2022	31 12 2021
- Third-party securities with third parties	675,216,744	316,967,261
- Proprietary portfolio securities with third parties	30,316,064	21,757,004
- of which		
government securities	-	-
bonds	6,208,154	8,930,320
shares and stakes	24,105,280	12,645,015
others	2,630	181,669

L. Commitments

The company has no commitments.

Section 2 – Information on risks and related hedging policies

Introduction

The company has a risk management function that applies second-degree checks on business operations and an internal auditing function that applies third-degree checks. These functions operate independently of one another and report to the company's Board of Directors. The statutory auditors examine their work on at least a quarterly basis.

Intermonte, given its status as a cooperative-style company where the managers themselves are the leading shareholders has a culture of limited risk.

As a brokerage firm, the main types of risks it encounters are position risk from its trading portfolio and credit/counterpart risk

Position risk arises from the fact that the company, through its subsidiary Intermonte SIM, manages part of its equity capital on its own behalf, and has been a market maker on IDEM since 2013. This has brought about increased risk in derivative positions and a moderate increase in the overall risk inherent in the trading portfolio.

Credit and counterpart risk, on the other hand, derives from Intermonte SIM's core business of brokerage on the equity market (Euronext Milan), but above all from the activity of trading on its own account in OTC derivatives with some of its customers.

The Risk Management function monitors on a daily basis the risk situation of the trading portfolio and the exposure to counterparty risk towards its clients or other counterparties with which it operates, periodically reporting to the Board of Directors any breach of the limits in place. For investment risks, these breaches can be authorised, following disclosure of the Risk, by the Chief Executive Officer or the Head of the Global Markets and Proprietary Trading, each within the boundaries of the mandate granted by the Board of Directors itself. For breaches of limits on the maximum exposure to clients and/ or counterparties, authorisation can be provided by the Head of the Equity Sales

Appropriate internal procedures have been set up to outline the risk limits in force and the specific powers assigned to the Board of Directors or individual managers.

2.1 Market Risk

2.1.1 Interest Rate Risk

Qualitative information

1. GENERAL ASPECTS

Under the general heading of market risk, we define interest rate risk as the risk of incurring losses due to adverse changes in interest rates.

The Intermonte Group's exposure to such risk relates entirely to the bond and equity derivatives components in the proprietary portfolio.

Most of the bonds in the portfolio are government debt securities (mainly deposited with the clearing house) and corporate debt securities (senior or subordinate), that are not hedged for interest rate risk.

The derivative component is largely made up of options on individual stocks, with maturity of up to 5 years, for which interest rate risk is hedged through futures on government securities. Management of this risk is simplified somewhat by the absence of interest rate derivatives and volatility derivatives (such as caps, floors, swaptions, etc.) from the portfolio.

In order to finance operations in the proprietary and trading portfolios, Intermonte SIM uses both its own funds and third-party capital, turning to bank lending via its current account and the security lending market.

Financing operations using liquidity from such instruments are always short-term (on average 2 weeks for sale and repurchase agreements and 1 month for securities lending) and at a variable rate.

Quantitative information

1. TRADING PORTFOLIO: DISTRIBUTION BY RESIDUAL MATURITY (DATE OF REPRICING) OF FINANCIAL ASSETS AND LIABILITIES

Type	On demand	Up to 3 months	From over 3 months to 6 months	From over 6 months to 1 year	From over 1 year to 5 years	From over 5 years to 10 years	Over 10 years	Unspecified maturity
1. Assets								
1.1 Debt securities		1,197,836	253,108		3,383,194	350,010	1,108,758	
1.2 Others			44,394,191					
2. Liabilities								
2.1 Due to banks, other financial backers and customers								
2.2 Debt securities								
2.3 Other liabilities			15,914,201					
3. Financial derivatives								
3.1 With underlying variable								
- Options								
Long position		35,218,267	98,359,370	45,246,106	29,171,263			
Short position		46,521,513	146,629,492	12,737,512	2,106,490			
- Others								
Long position		110,477	53,633,637	216	5,651,650			
Short position		52,877,907	5,762,343	755,730				
3.2 Without underlying variable								
- Options								
Long position	39,369,744	4,278,878	3,964,396	67,357,400	1,196,609			
Short position	76,797,284	16,092,907	5,379,702	14,544,378	3,352,757			
- Others								
Long position	38,279,471	92,772,682		3,434,375				
Short position	5,407,057	84,531,136	1,118,535	229,800	44,000,000			

2. INVESTMENT PORTFOLIO: DISTRIBUTION BY RESIDUAL MATURITY (DATE OF REPRICING) OF FINANCIAL ASSETS AND LIABILITIES

Item/residual duration	On demand	Up to 3 months	From over 3 months to 6 months	From over 6 months to 1 year	From over 1 year to 5 years	From over 5 years to 10 years	Over 10 years	Unspecified maturity
1. Assets								
1.1 Debt securities								
1.2 Other assets	106,217,731							
2. Liabilities								
2.1 Due to banks, other financial backers and customers	55,979,440							
2.2 Debt securities								
2.3 Other liabilities								
3. Derivatives								
3.1 Long positions								
3.2 Short positions								

3. MODELS AND OTHER METHODS USED TO MEASURE AND MANAGE INTEREST RATE RISK

Management of interest rate risk for the SIM is governed by a dedicated internal process entitled “Portfolio Risk Management” approved by the Board of Directors. This process establishes the methodology to follow and limits to be observed in relation to all market risks related to investment activity on the company’s own behalf.

The main analysis of interest rate risk is carried out through the use of indicators from the composition of the portfolio (limits on ratings, on types of government or corporate bonds, on subordinate debt, on overall net and gross bond exposure, on cash absorption and on duration), and through monitoring of the maximum potential loss of portfolios (Value at Risk - VAR). In order to measure VAR, which is calculated on a one-day time horizon based on a 99% confidence level, the risk manager uses external software that has been internally validated.

The Risk Management function monitors compliance with the established limits on a daily basis and provides periodic reports to the Board of Directors.

2.1.2 Price risk

Qualitative information

1. GENERAL ASPECTS

Under the general heading of market risk, we define price risk as the risk of incurring losses due to adverse changes and volatility in equity markets.

The Intermonte group’s exposure to price risk is entirely connected to the regulated trading portfolio. As noted previously, the absence of derivative instruments within the portfolio greatly simplifies identification and monitoring of price risk. Exposure to individual stocks or equity indices embedded in derivatives are always delta-hedged.

The company mainly invests in:

- Equities listed on Borsa Italiana markets
- Futures on indices and single stocks listed with Borsa Italiana
- Options on indices and single stocks listed with Borsa Italiana
- Warrants and covered warrants on stocks and indices listed with Borsa Italiana
- Listed rights
- Convertible bonds
- Dividend futures listed on Borsa Italiana
- Futures on the main European and global stock market indices.

Nevertheless, the company may also invest in instruments other than those outlined above

Quantitative information

1. EQUITY SECURITIES AND UCITS

	Trading portfolio			Other		
	Carrying amount			Carrying amount		
Equity securities/ UCITS	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Equity securities	43,469,716		336,806			
2. UCITS	2,781		9,250			
2.1 Italian	2,781		9,250			
- open harmonised						
- open non-harmonised						
- closed	2,781		9,250			
- reserved						
- speculative						
2.2 other EU countries						
- harmonised						
- open non-harmonised						
- closed non-harmonised						
2.3 non-EU countries						
- open						
- closed						
Total	43,472,497		346,056			

2. MODELS AND OTHER METHODS USED TO ANALYSE PRICE RISK

Price risk is managed by the same internal process employed for the management of interest rate risk ("Portfolio Risk Management").

The VAR is calculated separately on the proprietary equity portfolio and on the bond portfolio, as well as being calculated on Intermonte SIM's overall proprietary portfolio and on the individual portfolios of Intermonte Partners SIM.

The VAR represents the maximum potential loss over a pre-determined time horizon based on a precise confidence level. Intermonte uses a VAR based on a 99% confidence level and a 1-day time horizon. This is calculated and issued daily by the Risk Management function using the average of the two methodologies available on the software used: the "Montecarlo" and "Historical" methods. Checks carried out by the Risk Management function demonstrate that the method used provides a conservative result.

Portfolio	VaR (1D) - 2022		
	Average	Min	Max
Dir. Trad. Fixed Income	59,644	20,990	97,212
M.M.C.D. Algo Equity	38,466	8,537	76,658
M.M.C.D. Derivatives	732,091	259,909	1,244,948
Dir.Trad.Commod.	114,963	27,872	205,286
INTERMONTE TOTAL	731,332	267,237	1,605,641

In addition to the overall risk, the risk relating to each individual security (or where possible each underlying variable) is also analysed. The daily report issued by the risk manager includes indicators and checks with limits for net and gross equity exposure, for the present value of convertible bonds, for absorption of liquidity and risk measures (cash gamma 1% vega and rho) for the portfolio and for the component parts.

The Risk Management function monitors compliance with limits daily, communicating the current position to top management.

The definition and attribution of limits to proprietary investments is the responsibility of the Board of Directors. If the allocated limits are exceeded, the Chief Executive Officer and/ or the Head of Global Markets can authorise this exposure if dictated by specific circumstances on a temporary basis. Such authorisation is subject to disclosure and ratification at the next scheduled meeting of the Board of Directors.

2.1.3 Currency risk

Qualitative information

1. GENERAL ASPECTS

The group's exposure to currency risk is limited, and mainly derives from Intermonte SIM's activities as a broker in regulated foreign markets, and therefore to the minimum levels of liquidity in foreign currencies that Intermonte SIM must hold in its current accounts. There is a secondary risk from the activity of the proprietary portfolio, which may invest in instruments (bonds and equity) denominated in currencies other than the euro, although these will always be hedged through future contracts on currencies. These activities generate commissions in foreign currencies that are deposited into the company's accounts in settlement houses.

All Intermonte SIM's positions in foreign currencies are concentrated in the Treasury portfolio, which manages currency risk for all transactions, whether proprietary or on behalf of third parties.

Using online banking instruments, in concert with internal accounting policies, the Treasury continuously monitors the balance of the various foreign currency accounts.

Frequent recourse to foreign exchange transactions (spot transactions, forwards and swaps) to convert these amounts into euros certainly provides adequate mitigation of currency risk. Intermonte Partners SIM's positions in foreign currency are only made up of a small current account.

Quantitative information

1. DISTRIBUTION OF FINANCIAL ASSETS AND LIABILITIES BY CURRENCY

	Currency					
	US dollar	GB pound	Japanese yen	Canadian dollar	Swiss franc	Other
1. Financial assets						
1.1 Debt securities						
1.2 Equity securities						
1.3 Other financial assets						
2. Other assets	3,824,462	1,485,488	105,167	152,018	3,563,893	963,016
3. Liabilities	7,776	42			3,146,111	
3.1 Due to banks, other financial backers and customers	7,776	42			3,146,111	
3.2 Debt securities						
3.3 Subordinate liabilities						
3.4 Other financial liabilities						
4. Other liabilities						
5. Financial derivatives						
- Options						
Long positions						
Short positions						
- Others						
Long positions						
Short positions						
Total assets	3,824,462	1,485,488	105,167	152,018	3,563,893	963,016
Total liabilities	7,776	42	0	0	3,146,111	0
Difference (+/-)	3,816,686	1,485,446	105,167	152,018	417,782	963,016

2.1.4 Derivative transactions

The Intermonte Group uses derivative instruments either as part of directional investment strategies or in order to hedge positions, both on its own behalf and for its customers.

During the year, the trading of subsidiary Intermonte SIM on the IDEM market on behalf of third parties accounted for 0.001% of all futures traded (15th place), 0.11% of index mini-futures (9th place), 0.02% of index options (14th place), 0.48% of isoalfa options (11th place), and 0.001% of stock futures (8th place).

On a proprietary basis, during 2022 Intermonte SIM traded c.0.14% of futures (8th place), 0.001% of index mini-futures (7th place), 4.64% of all index options traded (2nd place), 3.58% of isoalfa options (5th place), and 19.06% of stock futures (1st place).

The rankings are based on the number of derivative contracts traded by members of Assosim.

Since March 2013, the company's equity derivatives desk has also fulfilled the role of market maker. As at 31st December 2022, the desk was market maker for 50 Italian stocks (leading companies on the FTSEMIB index among others), on both futures and options, and on the FTSEMIB index itself. The desk's trading in derivatives is always delta-hedged, either through positions in stock futures or directly on underlying cash securities, and consequently position risks associated with derivative instruments are always kept at moderate levels. Risk measures, and gamma, vega and rho risk in particular, are monitored by the risk management function on a daily basis.

The parent company Intermonte Partners SIM started trading in derivatives in March 2014. Specifically, this involves arbitrage (spreads on different maturities) on listed financial instruments such as futures on CO₂ emissions certificates. Interest rate risk is hedged through listed futures on Euribor 3M interest rates, while position risk is hedged by holding units in CO₂ units (so-called EUA units) in the portfolio (a hedged position).

2.2 Operating risks

Qualitative information

1. GENERAL ASPECTS

With Regulation (EU) 2019/2033 (IFR) coming into force on 30.06.2021, replacing the previous CRR on matters of prudential supervision for investment firm groups, operating risk is no longer calculated in proportion to total banking income, but rather is subdivided into individual requirements, known as “*k-factors*” specific to each MiFID service offered by the group's investment firms. Intermonte has also developed an internal model for the management of such risks. The Company's approach is designed to unite all key sources of information and loss data to make both quantitative and qualitative assessments.

The quantitative component entails collecting, analysing and configuring statistical models of historical data on losses.

The qualitative component, on the other hand, is focused on the evaluation of the risk profile in each of the Company's areas of operation (Self Risk Assessment). Here, the company acts in various areas: identifying the processes and risks that need to be assessed; assessment of these risks by the process owners; outlining possible plans to mitigate those risks, as well as areas for improvement; agreeing priorities and the technical and financial feasibility of possible manoeuvres to alleviate risks with central functions. This is all backed up by Monte Carlo simulations of risk probability.

One or more company representatives are then assigned to each individual risk assessment area. Middle and top management are also involved in the qualitative risk profile evaluation and in outlining mitigation strategies.

The risk management function is responsible for coordinating this process.

Quantitative information

Regarding Risk-To-Client K-factors, as at 31st December 2022, the group allocated Eu34,618 in capital against Assets under Management (AuM), Eu328,100 against Client Money Held (CMH), Eu212,135 against Assets Safeguarded and Administered (ASA) and Eu77,791 against Client Orders Handled (COH).

Regarding Risk-To-Firm K-factors, as at 31st December 2022, the group allocated Eu85,653 in capital against Daily Trading Flow (DTF), i.e. against trading on own account (cash and derivatives).

With regard to the internally-developed model, the provision for capital allocated against operational risk for the year comes to Eu3,770,923.

2.3 Credit risk

Qualitative information

1. GENERAL ASPECTS

Given that it operates predominantly as a broker on the equity market, and its core business does not include the issue of credit, Intermonte SIM is not subject to the “traditional credit risk” typical of banks.

Intermonte SIM functions as a direct intermediary on regulated securities markets in Italy and operates on the main equity markets abroad through other brokers. The assets in the company’s proprietary portfolio range from bonds and common stock to derivatives of indices, stocks, interest rates, exchange rates and commodities, both listed and over the counter. Liquidity is also managed by the Treasury, which makes use of monetary instruments such as time deposits, credit lines and repurchase agreements.

Intermonte’s credit and counterparty risk is therefore essentially limited to existing financing with other institutional counterparties, settlement risk (typically for two days) in trading on behalf of third parties, related to OTC derivative contracts, transactions on listed derivative markets (for which a daily margins payment to the clearing house is required, a requirement that the customer may have difficulty fulfilling), and transactions involving the borrowing and lending of securities.

The company has adopted an internal procedure (“Taking on Counterparty and Credit Risk”) which describes the process for entering into business with a new counterparty/customer and for evaluating the credit exposure towards each counterparty.

Due to the entry into force of the new IFR on 30th June 2021, such items are no longer considered in the calculation of credit risk, a risk from which investment firms are exempt. In point of fact, active current accounts come under 'cash' on the statement of financial position, and are therefore equivalent to zero-risk items for Intermonte SIM.

Intermonte Partners SIM is only marginally exposed to counterparty risk, as it operates almost exclusively on listed derivatives and its exposure is therefore almost entirely to CCPs.

Quantitative information

1. MAJOR RISKS

During the year the Group only recorded a small number of significant positions that could potentially be considered to constitute a “major risk” (i.e. above 10% of own CET1).

The main exposure has always been to the clearing house, and is comprised of margins and default funds deposited in order for the company to invest on its own behalf and on behalf of its customers.

Other significant positions have been opened up on occasion with leading Italian or European banks, largely relating to the company’s excess liquidity being deposited in current accounts or exposure deriving from OTC derivatives.

As a consequence of the entry into force of the new IFR, investment firms are no longer required to indicate their large exposures but merely to indicate those exposures for which additional capital coverage must be held due to concentration risk.

It is also worth noting that in the new IFR only trading portfolio transactions are counted for exposure purposes; exposures deriving from the fixed asset portfolio (bank current accounts, other equity stakes, etc.) are exempt.

Over and above the verifications conducted according to regulatory criteria, the Risk Manager also checks, on a daily basis, the concentration of exposure to issuers in the proprietary portfolio and significant exposure to its own counterparties/customers.

This exposure is calculated using prudent methodology and formally reported to top management on a daily basis.

2. CLASSIFICATION OF EXPOSURE BASED ON INTERNAL AND EXTERNAL RATINGS

Intermonte uses external credit rating agency S&P to assign ratings to its counterparts.

In terms of On-statement of financial position exposures, it is worth noting the exposure to the clearing house in Class 1. The remaining exposures are to parties without a credit rating (primarily regulated brokers, asset management companies, investment funds, or other companies).

Amongst the Unrated exposures in derivatives, it is worth noting the exposure to two clients of the subsidiary in OTC derivatives.

Exposure	External rating class						No rating	Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
1. Financial assets measured at amortised cost	67,648,135	77,594	1,213,620		82,741		5,964,521	74,986,611
- Stage 1	67,648,135	77,594	1,213,620		82,741		5,964,521	74,986,611
- Stage 2								
- Stage 3								
- Purchased or originated credit-impaired loans								
2. Financial assets measured at fair value through profit or loss								
- Stage 1								
- Stage 2								
- Stage 3								
- Purchased or originated credit-impaired loans								
3. Financial assets held for sale								
- Stage 1								
- Stage 2								
- Stage 3								
- Purchased or originated credit-impaired loans								
Total financial assets								
4. Commitments to disburse funds and financial guarantees issued								
- Stage 1								
- Stage 2								
- Stage 3								
- Purchased or originated credit-impaired loans								
5. Others				8,432,700			12,639,297	21,071,998
Total commitments to disburse funds and financial guarantees issued								
Total	67,648,135	77,594	9,646,320	0	82,741	0	18,603,818	96,058,609

3. MODELS AND OTHER METHODS USED TO MEASURE AND MANAGE CREDIT RISK

With regard to counterparty risk, for all trading conducted on the MTA – the company’s core business – “market side” counterparty risk is covered by the Central Counterparty. Therefore, the company’s actual exposure to counterparty risk is limited to that which arises from the “client side”, from over-the-counter transactions and from all bond market transactions.

The company has an initial risk monitoring system in place. Credit granted to each customer and each counterparty on the market is verified by a real time procedure to ensure that the customer or counterparty is within the maximum exposure attributed to individual clients.

A second risk audit procedure is completed by the company’s risk management function, which uses a specific application to measure the risk of each individual counterpart retrospectively. The function has adopted a similar calculation methodology to the one established by the Italian Stock Exchange’s clearing house (CC&G) to determine initial margin requirements and variation margins to be applied to each customer as a further objective factor in counterpart risk assessment. Details of the methodology used are summarised within the “Taking on Counterparty and Credit Risk” procedure.

Transactions such as securities lending and repurchase agreements are also subject to this kind of risk; the method used to calculate associated risks is analogous to the method used for securities trading.

2.4 Liquidity risk

Qualitative information

GENERAL ASPECTS, OPERATIONAL PROCESSES AND MODELS USED FOR MEASUREMENT

Liquidity risk is defined as the risk of being unable to meet payment commitments, either due to an inability to gather resources on the market (funding liquidity risk) or difficulty in mobilising assets without suffering huge capital losses (market liquidity risk). Given the group's primary area of activity is in stock brokerage, the group's main daily inflows and outflows of liquidity are exclusively related to the margins that it must pay to the clearing house to cover the transactions of its clients and its investment portfolio. The company's current liquidity position is monitored through daily reports produced by various departments (treasury, risk management function).

The risk management function uses statistical analysis to forecast and monitor the days in which there is the possibility of high outflows of liquidity (e.g. post-expiry value dates). With an eye on more effective management of liquidity risk through initiatives aimed at mitigation and prevention, the company has also procured various lines of credit from leading banks in order to be in a position to meet the operational liquidity demands of its brokerage and trading activities. While it has an agreement with MPS Group that allows it to retain credit lines with the group that are more than adequate (Eu200 million), Intermonte has also diversified its funding sources in order to mitigate liquidity risk, obtaining lines of financing from other mid-sized Italian banks, highlighting the group's strong creditworthiness.

The risk management function calculates High Quality Liquidity Assets (HQLA) on a daily basis, verifying compliance with the capital requirements under IFR.

The parent company's liquidity risk is extremely limited, given the lack of movement in its assets.

The Risk Management function monitors financial flows and the company's liquidity on a daily basis.

During 2022 there were no instances of insufficient liquidity to meet payment commitments, the company's capital has provided adequate liquidity to guarantee the company's ongoing operations.

Quantitative information

1. DISTRIBUTION OF FINANCIAL ASSETS AND LIABILITIES BY RESIDUAL CONTRACTUAL MATURITY – ALL AMOUNTS IN EURO

Type/Timescale	On demand	From over 1 day to 7 days	From over 7 days to 15 days	From over 15 days to 1 month	From over 1 month to 3 months	From over 3 months to 6 months	From over 6 months to 1 year	From over 1 year to 3 years	From over 3 years to 5 years	Over 5 years	Unspecified maturity
On-statement of financial position assets											
A.1 Government securities					1,208,550	87,500		2,000,000			
A.2 Other debt securities				140,178	25,500	16,833	21,938		100,000	2,929,000	650,000
A.3 Loans	88,085,081	5,236,738	2,347,359	6,699,604	2,413,133						1,435,817
A.4 Other assets	12,031										44,382,160
On-statement of financial position liabilities											
B.1 Due to:											
- Banks	17,471,965	9,915,946	3,149,535	4,539,973	3,144,040						382,280
- Other financial backers	716,595										
- Customers	16,659,106										
B.2 Debt securities											
B.3 Other liabilities											15,914,200
Off-statement of financial position transactions											
C.1 Financial derivatives with exchange of capital:											
Long positions				15,470,764	116,877,738	32,823,467	45,246,320	34,822,348	565	1,063,440	119,247,119
Short positions				72,004,264	77,577,715	5,259,588	13,493,242	43,207,890	5,787,500		148,221,562
C.2 Financial derivatives without exchange of capital											
Positive differentials	1,204,308										
Negative differentials	27,636,823										
C.3 Financing to be received											
Long positions											
Short positions											

Section 3 – Disclosure on equity

3.1 Equity

3.1.1 Qualitative information

As at year-end, the company's capital was mainly composed of reserves, as was the case for the preceding year. In particular, the most substantial item was payments into the capital account by shareholders, amounting to Eu13.5mn. The capital is also composed of fully paid-up and subscribed share capital for Eu3.29mn and profit reserves for Eu37mn. Company capital is sufficient to comply with the limits laid down by European prudential supervision and is in line with the operational requirements of individual companies and the group (in particular those of subsidiary Intermonte SIM). During 2021 the subsidiary Intermonte SIM issued a subordinated bond loan with a nominal value of Eu5mn.

3.1.2 Quantitative information

3.1.2.1 Breakdown of equity

	Financial year 2022	Financial year 2021
1. Share capital	3,290,500	3,290,500
2. Share premium reserve	0	0
3. Reserves	50,482,348	51,188,417
- earnings	37,004,577	38,322,322
a) legal		
b) statutory		
c) treasury shares		
d) others		
- others	13,477,771	12,866,095
4. (Treasury shares)	(8,562,137)	(7,909,950)
5. Revaluation reserves		
- Available-for-sale financial assets		
- Property and equipment		
- Intangible fixed assets		
- Hedges of investments in foreign operations		
- Cash flow hedges		
- Exchange rate differences		
- Non-current assets held for sale and disposal groups		
- Specific legislation on revaluation		
- Actuarial profit/loss on defined-benefit pension plans		
- Share of fair value reserves of equity-accounted investees		
6. Equity instruments	0	0
7. Profit (Loss) for the financial year	6,537,593	7,196,024
Total	51,748,304	53,764,991

3.2 Own funds and supervisory ratios

3.2.1 Own funds

3.2.1.1 Qualitative information

The Intermonte Group holds €5 million of its own financial instruments calculated as Additional Tier 1 (AT1) capital, but does not include financial instruments calculated as Tier 2 (T2) capital.

The positive items in the CET1 are the share capital, the share premium and the reserves. The negative items to be subtracted are treasury shares, intangible assets, supervisory adjustments and deferred tax assets relating to future profitability.

3.2.1.2 Quantitative information

	Total as at 31.12.2022	Total as at 31.12.2021
Own Funds (CET1 + AT1 + T2)	52,930,100	52,047,250
Tier 1 Capital (CET1 + AT1)	52,930,100	52,047,250
Common Equity Tier 1 Capital (CET1)	47,930,100	47,047,250
Fully paid-up equity instruments	9,790,302	9,790,302
Share premium	1,415,311	1,415,311
Other reserves	47,837,365	48,119,961
Adjustments to CET1 due to prudential filters	(152,117)	(238,299)
(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1 CAPITAL (CET1)	(10,960,761)	(12,040,026)
(-) Own CET1 instruments	(10,684,454)	(10,684,454)
(-) Direct holdings of CET1 instruments	(10,684,454)	(10,684,454)
(-) Goodwill	-	-
(-) Other intangible assets	(94,309)	(60,865)
(-) Deferred tax assets that rely on future profitability excluding those arising from temporary differences net of related tax liabilities.	(181,998)	(1,294,707)
ADDITIONAL TIER 1 CAPITAL (AT1)	5,000,000	5,000,000
(-) TOTAL DEDUCTIONS FROM TIER 1 CAPITAL (AT1)	-	-
TIER 2 CAPITAL (T2)	-	-
(-) TOTAL DEDUCTIONS FROM TIER 2 CAPITAL (AT2)	-	-

3.2.2 Capital adequacy

3.2.2.1 Qualitative information

With the aim of constantly complying with the capital ratios established by the Regulatory Authorities, company procedures stipulate daily checks on capital absorption for each type of risk. The Intermonte Group's own funds are more than adequate for the type of business it operates.

The requirement relating to total K factors as at 31st December 2022 is comprised of: Euro 5,466,774 as capital requirement for risk-to-market, Euro 1,987,714 for risk-to-firm, Euro 652,644 for risk- to-client.

The Total Tier 1 Capital Ratio and the Own Funds Ratio are therefore both above 653%, well above the regulatory minimum requirements (75% and 100% respectively). The Common Equity Tier 1 Ratio is 592%, again well above the minimum regulatory requirement of 56%. In addition to monitoring capital adequacy for risks covered by regulatory requirements, the company also uses internal methodologies for the mitigation of other risks (for example, credit risk, AML risk, behavioural risk, reputational risk, IT risk, etc.).

3.2.2.2 Quantitative information

CAPITAL REQUIREMENTS	Total as at 31 12 2022	Total as at 31 12 2021
Total Own Funds Requirement (highest of 1, 2, and 3)	8,053,902	10,851,225
1) Permanent minimum capital requirement	1,000,000	1,000,000
2) Fixed overheads requirement	6,913,472	7,284,838
3) K-factor requirement	8,053,902	10,851,225
<i>of which risk-to-client</i>	<i>599,414</i>	<i>348,572</i>
<i>of which risk-to-market</i>	<i>5,466,774</i>	<i>7,901,667</i>
<i>of which risk-to-firm</i>	<i>1,987,714</i>	<i>2,600,986</i>
CAPITAL RATIOS	Total as at 31 12 2022	Total as at 31 12 2021
Common Equity Tier 1 (CET1) Capital Ratio	595%	434%
Tier 1 Capital Ratio	657%	480%
Own Funds Ratio	657%	480%

Section 4 - Analysis of comprehensive income

Items	31 12 2022	31 12 2021
Profit (loss) for the year	7,602,405	8,733,388
Other income not transferred to the income statement	-	-
Equity securities designated at fair value through other comprehensive income:	-	-
a) changes in fair value	-	-
b) transfers to other equity items	-	-
Financial liabilities designated at fair value through profit and loss (changes in credit rating):	-	-
a) changes in fair value	-	-
b) transfers to other equity items	-	-
Hedging of equity securities designated at fair value through other comprehensive income:	-	-
a) changes in fair value (hedged instrument)	-	-
b) changes in fair value (hedging instrument)	-	-
Plant and equipment	-	-
Intangible assets	-	-
Defined benefit plans	-	-
Non-current assets held for sale and disposal groups	-	-
Share of fair value reserves of equity-accounted investees	-	-
Income tax related to other income not transferred to the income statement	-	-
Other income transferred to the income statement	-	-
Hedges of investments in foreign operations:	-	-
a) changes in fair value	-	-
b) transfers to profit or loss	-	-
c) other changes	-	-
Translation differences:	-	-
a) changes in fair value	-	-
b) transfers to profit or loss	-	-
c) other changes	-	-
Cash flow hedges:	-	-
a) changes in fair value	-	-
b) transfers to profit or loss	-	-
c) other changes	-	-
of which: result of net positions	-	-
Hedging instruments (non-designated items):	-	-
a) changes in fair value	-	-
b) transfers to profit or loss	-	-
c) other changes	-	-
Financial assets (other than equity securities) measured at fair value through other comprehensive income:	-	-
a) changes in fair value	-	-
b) transfers to profit or loss	-	-
- net impairments for credit risk	-	-
- gain/loss on sale	-	-
c) other changes	-	-
Non-current assets held for sale and disposal groups:	-	-
a) changes in fair value	-	-
b) transfers to profit or loss	-	-
c) other changes	-	-
Share of fair value reserves of equity-accounted investees:	-	-
a) changes in fair value	-	-
b) transfers to profit or loss	-	-
- impairment losses	-	-
- gain/loss on sale	-	-
c) other changes	-	-
Income tax related to other income transferred to the income statement	-	-
Total other comprehensive income after tax	7,602,405	8,733,388
Total comprehensive income (item 10 + item 190)	7,602,405	8,733,388
Total consolidated comprehensive income attributable to minority interests	1,064,812	1,537,364
Total consolidated comprehensive income attributable to the parent company	6,537,593	7,196,024

Section 5 - Related party transactions

Dealings with related parties, identified in accordance with the provisions in IAS 24, are part of the normal operations of the Group and as a rule take place on financial terms equivalent to those on the market that are applicable to unrelated parties of like nature and degree of risk, i.e., in the absence of benchmarks, at conditions of verified reciprocal convenience bearing in mind the complexity of the circumstances, the peculiarities of the transaction, and the interests of the Group.

During the twelve months to 31st December 2022, no transactions of greater or lesser importance with related parties were carried out such as to significantly influence either the financial position or the profit or loss of the Group.

In any event, transactions were not carried out that were atypical or unusual and/or at non-standard financial or contractual conditions for the type of related counterparty.

The IAS 24 definition of related parties includes persons or entities that:

- a) directly, or indirectly through one or more intermediaries,
 - i. control, are controlled by, or are under common control with, the reporting entity (including parents, subsidiaries, and fellow subsidiaries);
 - ii. hold a stake in the reporting entity such as to be able to exercise significant influence over that entity; or
 - iii. jointly control the reporting entity;
- b) represent a subsidiary of the reporting entity;
- c) represent a joint venture in which the reporting entity is a participant;
- d) are a member of key management personnel of the reporting entity or its parent;
- e) are a close family member of one of the persons referred to in points a) or d);
- f) are an entity controlled by, under joint control by or subject to significant influence by one of the persons referred to in points d) or e), i.e., such persons that, directly or indirectly, hold a significant portion of voting rights; or
- g) are a post-employment benefit plan for the employees of the reporting entity, or of any other entity related to the reporting entity.

5.1. Information on the remuneration of executives with strategic responsibilities

Information is provided below on the remuneration of executives with strategic responsibilities and on transactions put in place with related parties, pursuant to IAS 24.

Total remuneration and other benefits and allowances in the financial year paid to directors, statutory auditors, and other executives with strategic responsibilities was Euro 3,294 thousand, as shown below:

	Total remuneration
Directors	660,000
Executives	2,545,000
Statutory auditors	89,000

Section 6 – Disclosure on leasing

Qualitative information

The Company's leasing contract relates to its commercial premises.

A lease is defined as a contract that depends on the use of an identified asset and conveys the right to control the use of the asset for a period of time in exchange for consideration.

IFRS 16 applies to all transactions that involve the right to use an asset, regardless of the contractual form, i.e., whether it is classified as operating or financial, rent or hire. Leases with a lease term of 12 months or less, or where the underlying asset has a low value when new, are excluded from application of this principle.

IFRS 16 imposes initial recognition of a right-of-use asset (RoU) and a lease liability, representing the present value of future lease payments.

Upon initial application in 2019, in accordance with transitional provision C3, the Company opted to adopt the Modified B approach, which allows the recognition of the cumulative impact of the initial application of the principle at the date of initial application, without restating comparative figures in financial statements prior to the first time application of IFRS 16.

The Company has decided to avail itself of the practical expedients provided for in IFRS 16 in the event of adoption of the Modified approach, i.e., not to apply the provisions of the principle to leases with a term of less than 12 months from the date of initial application, booking such leases as short term leases. Finally, in line with the provisions of IFRS 16 paragraph 5, the Company has excluded recognition of RoU and Lease Liability for leases in which the underlying asset has a low value.

As for measurement subsequent to the initial recognition of leases:

- a. the right of use is amortised across the duration of the contract or the useful life of the asset (based on IAS 16);
- b. the liability has been gradually reduced as a result of lease payments, on which interest charges have been recognised, and therefore booked separately on the income statement.

In light of these considerations, no impact was recognised on shareholders' equity from first-time application of the principle. In particular, based on the approach decided upon, first-time application of the principle determined an increase:

1. of c.€6 million in financial liabilities, following the recognition of the debt to the lessor;
and of c.€6 million in financial liabilities, following the recognition of the debt to the lessor;
and
2. of c.€6 million in assets, following the recognition of the right of use to the asset.

Quantitative information

Quantitative information about leasing-related items has been provided in the form of notes adjacent to the relevant items in the financial statement. The following table summarises the effects arising from adoption of IFRS 16 with regard to financial year 2022.

	Value as at 31 12 2021	Changes					Value as at 31 12 2022
		Interest	Depreciation	Payments	Initial recognition	Other changes	
Statement of Financial Position – Assets							
Item 80 - Property and equipment							
- Right-of-use assets	3,995,285	-	(711,976)	-	-	-	3,283,309
Buildings for office use	3,995,285	-	(711,976)	-	-	-	3,283,309
Buildings for residential use	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-
Statement of Financial Position – Liabilities							
Item 10 - Financial liabilities measured at amortised cost							
- Other liabilities	4,221,055	60,433	-	(362,744)	-	-	3,918,744
Lease liabilities on buildings for office use	4,221,055	60,433	-	(362,744)	-	-	3,918,744
Lease liabilities on buildings for residential use	-	-	-	-	-	-	-
Lease liabilities on motor vehicles	-	-	-	-	-	-	-
Profit and Loss Statement							
Item 80 - Interest							
- Interest expense on financial liabilities measured at amortised cost	-	(60,433)	-	-	-	-	(60,433)
Lease liabilities on buildings for office use	-	(60,433)	-	-	-	-	(60,433)
Lease liabilities on buildings for residential use	-	-	-	-	-	-	-
Lease liabilities on motor vehicles	-	-	-	-	-	-	-
Item 160 - Depreciation and net impairment losses on property and equipment							
- Depreciation	-	-	(711,976)	-	-	-	(711,976)
Right-of-use buildings for office use	-	-	(711,976)	-	-	-	(711,976)
Right-of-use buildings for residential use	-	-	-	-	-	-	-
Right-of-use motor vehicles	-	-	-	-	-	-	-

Section 7 – Other information

7.1 Other

Type of service	Service provider	Service recipient	Fees (thousand Euros)
External audit	KPMG S.p.A.	Intermonte Partners S.p.A.	73
Certification services	KPMG S.p.A.	Intermonte Partners S.p.A.	15

Reconciliation

Reclassified consolidated income statement

Euro mn	FY 2022	FY 2021
Sales & Trading	13.6	15.9
Investment Banking	11.2	11.4
Global Markets	9.1	13.0
Digital Division & Advisory	3.7	3.4
Total net revenues (management accounts)	37.6	43.8
<i>Partial reclassification of net interest and other financial items</i>	(0.4)	(0.4)
<i>Partial reclassification of other administration expenses</i>	1.4	1.8
<i>Partial reclassification of net fees and commissions</i>	(0.3)	(1.4)
<i>Partial reclassification of net impairment losses due to credit risk</i>	-	(0.0)
Total reclassifications (management accounts)	0.6	0.0
Total income	38.2	43.9
Net value adjustments for credit risk	-	0.0
Total personnel expenses	(18.2)	(21.8)
<i>Personnel expenses (management accounts)¹</i>	<i>(18.0)</i>	<i>(21.6)</i>
<i>Partial reclassification of "Personnel expenses"</i>	<i>(0.2)</i>	<i>(0.2)</i>
<i>Other operating expenses (management accounts)²</i>	<i>(9.3)</i>	<i>(10.4)</i>
<i>Partial reclassification of other administration expenses</i>	<i>(0.4)</i>	<i>0.1</i>
Operating costs	(27.9)	(32.1)
Pre-tax profit (loss) from continuing operations	10.3	11.8
Income tax	(2.6)	(3.1)
Post-tax profit (loss) from continuing operations	7.7	8.7
Profit (Loss) for the year attributable to minority interests	1.1	1.5
Profit (loss) for the year attributable to the parent company	6.5	7.2

1) This item includes remuneration of executive directors, but excludes remuneration of non-executive directors and statutory auditors.

2) This item includes the remuneration of non-executive directors, statutory auditors, depreciation/amortisation or net impairment losses on tangible and intangible assets, and operating income and expenses.



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