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INTERMONTE PARTNERS BOARD OF DIRECTORS APPROVES ABBREVIATED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR PERIOD TO 30th JUNE 2023

**THE INTERMONTE GROUP CLOSED 1H 2023 WITH REVENUES OF Eu14.8mn
CONSOLIDATED NET PROFIT OF Eu1.1mn**

**SHARP RECOVERY IN REVENUES IN EARLY MONTHS OF 2H 2023
CAPITAL RATIOS AMONG THE HIGHEST IN THE FINANCIAL SECTOR
(IFR ratio > 548%)**

Milan, 07 September 2023 - on 7th September 2023 the Board of Directors of Intermonte Partners SIM S.p.A. (hereafter the "Company" and, together with its subsidiaries, "Intermonte" or the "Group") approved the Company's abbreviated interim consolidated financial statements for the six-month period to 30th June.

In an extremely challenging market environment for the entire sector, the group closed 1H23 with consolidated net profit of Eu1.1mn, down slightly compared to the first six months of 2022. The two months following the close of the half-year showed a strong recovery in profitability in comparison to the 1H trend, thanks to the generation of significant revenues after 30th June 2023.

The group's total net revenues came to Eu14.8 mn (-30.4% YoY), with the Sales & Trading division (S&T) accounting for 41% of revenues, the Investment Banking division (IB) representing 25%, the Global Markets division (GB) 22% and Digital Division & Advisory (DD&A) 12%. The decline in revenues is in line with sector trends, which in the first half of the year suffered both a steep generalised drop in trading and Global Markets activity, and a sharp decline in revenues from Investment Banking in an environment clouded by continuing uncertainty for investors and companies. Intermonte maintained a level of capital solidity that is among the highest in the financial sector, with an IFR Ratio at c.5.5x the minimum required capital, up from 3.9x recorded at the end of June 2022.

Thanks to a widespread recovery, preliminary figures to 31st August 2023 show a significant improvement compared to 1H trends. In the July-August period revenues were up 50% YoY, reducing the decline for the first eight months of the year to 15%, thanks to a recovery across all areas, especially the Investment Banking and Global Markets divisions.

"In the first half of 2023, Intermonte consolidated its competitive positioning, despite the particularly challenging global situation in its key markets, and further strengthened the Group's capital solidity, which is among the highest in the financial sector (IFR Ratio >548%) - commented Guglielmo Manetti, Chief Executive Officer of Intermonte Partners, when presenting the results for the first half of 2023 - In July and August the sealing of various important IB deals and a recovery in market activity, especially in GM, enabled the Group to deliver a sharp recovery in revenues as the second half of the year got underway. Moreover, DD&A, which addresses retail banking platforms, companies and financial advisors, continued to grow at a steady rate in the first half. The healthy IB pipeline, our market positioning in S&T and GM and the prospects in DD&A inspire optimism for annual revenue trends to show an improvement on those witnessed in 1H. The strong capital position allows us to continue to support a generous dividend policy for our shareholders".

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

Consolidated Net Revenues

(Eu mn)	1H23	1H22	% Breakdown 1H23	1H23 YoY
Sales & Trading	6.0	7.9	40.8%	(23.8)%
Investment Banking	3.7	7.5	25.4%	(50.2)%
Global Markets	3.3	4.1	22.3%	(20.5)%
Digital Division & Advisory	1.7	1.7	11.6%	2.9%
TOTAL NET REVENUES	14.8	21.2	100.0%	(30.4)%

• SALES & TRADING (S&T)

The division closed the first half of 2023 with revenues of Eu6.0mn, 40.8% of total group revenues, down by 23.8% year-on-year from the Eu7.9mn recorded in the first half of 2022. The first half of the year featured a sharp reduction in trading volumes in all asset classes, partly due to the tough comparison with 1H22, when the outbreak of war in Ukraine acted as a strong short-term catalyst for market activity. In particular, the Italian cash equity market showed an 8% drop overall in 1H 2023, but the mid/small caps segment saw the value of transactions brokered for third parties slump by 35% (Euronext Growth Milan market; source Assosim) and by 29% in the STAR segment (Intermonte assessment). In this context, the Intermonte S&T division, with its continuing strong focus on the Italian SME segment, outperformed market trends and strengthened its competitive positioning (the market share on EGM volumes traded in the period to June 2023 was 10.2%, from 8.8% in 1H22; source Assosim) even in this difficult market environment.

In 1H23, over 440 institutional clients were served by the Sales & Trading business unit, out of over 1,050 total active clients; c.60% of institutional clients operate on foreign markets, mainly the UK and the USA.

Equity Research remained a strategic distinguishing feature of Intermonte's brokerage activity, being the key service provided to clients. Over 280 reports were produced in the period, for a total of over 2,300 pages. During the first half of the year, Intermonte continued its intense marketing activity in favour of Investors and in support of Issuers, organising over 190 roadshows and some 1,200 meetings with investors.

• INVESTMENT BANKING (IB)

Revenues in the Investment Banking business unit (25.4% of the group total) posted a significant drop in the period to Eu3.7mn (from Eu7.5mn in 1H22), thanks to a sharp decline in Equity Capital Markets activity, with markets in Italy and worldwide suffering from a significantly deteriorated environment, as well as to the slowdown in M&A activity combined with delays in generating some revenues associated with this business in 1H. Even in this complicated market environment, Intermonte completed some major deals in the first half of the year. In the period in question, Intermonte acted as Global Coordinator for the placement of Azimut shares and the Unidata capital raise, a transaction functional for the transfer of the company from the EGM to the Euronext Star market, a process in which Intermonte also acted as Listing Agent.

In the M&A advisory area, Intermonte fulfilled various important roles, confirming its status as a key independent advisor for the Italian market. The main deals include acting as Advisor to: Unidata in its acquisition of TWT, Growens in the disposal of its Email Service Business to Teamsystem, GPI for its acquisition of Evolucare, and the Aedes Board of Directors in relation to the PTO promoted by Hines.

Within the Debt Capital Markets and Debt Advisory business, Intermonte acted as Advisor to Repower on a medium-term revolving financing for a total of Eu100mn, and as Joint Placement Agent in a Eu60mn senior bond issue by Illimity.

Finally, the strong positioning as Corporate Broker and Specialist continued, with c.50 companies covered, of which 17 listed on the STAR segment.

- **GLOBAL MARKETS (GM)**

The *Global Markets* business unit closed the first half of 2023 with revenues of Eu3.3mn, corresponding to 22.3% of total net revenues (-20.5% vs. Eu4.1mn in 1H22). During the period in question, the division's Client Driven activity mostly featured reduced Market Making activity by institutional clients in the first part of the year, in line with broader trends in brokerage volumes, but at the same time risk values were considerably lower than in the same period last year. Changes in the revenue mix were largely due to successful diversification of earnings generation across the various asset classes in this area.

Non-Client Driven trading activity in the division posted a positive trend at 30th June 2023, partly helping to offset the reduced activity by institutional clients.

- **DIGITAL DIVISION & ADVISORY (DD&A)**

The Digital Division & Advisory (DD&A) business unit closed 1H23 with 2.9% revenue growth to Eu1.7mn corresponding to 11.6% of Group revenues (Eu1.7mn in 1H22; or 7.8% of Group revenues).

Growth benefited from an acceleration in Certificates business, while during the six-month period there was a slowdown due to the rebranding of some products and the launch of the new Websim internet site (<https://www.websim.it/>), which is already starting to show a positive impact. “Websim Corporate Broking”, a new service dedicated to listed Small Caps, was launched in 1H. Some EGM segment issuers have already signed up to the service. In the three months following the launch of the new website, in March 2023, the number of subscribers to the platform increased by nearly 150% compared to the figure at the end of December 2022.

Reclassified Consolidated Income Statement

(Eu mn)	1H23	1H22	1H23 YoY
TOTAL NET REVENUES	14.8	21.2	(30.4)%
Personnel expenses ¹	(8.6)	(9.4)	(8.5)%
Other operating expenses ²	(4.2)	(4.7)	(9.7)%
Total expenses	(12.8)	(14.1)	(8.9)%
Consolidated pre-tax profit	1.9	7.1	(72.9)%
Taxes	(0.6)	(2.1)	(71.7)%
<i>Tax rate</i>	<i>31.3%</i>	<i>30.0%</i>	
Consolidated net profit pre-minorities	1.3	5.0	(73.5)%
Net profit pertaining to minority shareholders	(0.2)	(0.7)	(71.0)%
Consolidated net profit post-minorities	1.1	4.2	(73.9)%

Notes: 1. This item includes compensation for Executive Directors, but excludes compensation for Non-Executive Directors and the Board of Statutory Auditors; 2. This item includes compensation for Non-Executive Directors, the Board of Statutory Auditors, depreciation and amortisation or net impairment losses on property and equipment and intangible assets and other operating income and expense.

• COSTS

Intermonte closed 1H23 with an 8.9% decrease in costs to Eu12.8mn (from Eu14.1mn in 1H22). The Cost/Income ratio came to 87.0%, above the level recorded at 1H22 (66.5%).

Personnel expenses came to Eu8.6mn, down 8.5% vs. 1H22. Specifically, there was an increase in the fixed component, driven by the rise in the number of employees (a net change of 4 additional employees YoY, following 13 new recruits) and the introduction of a company welfare plan for all group employees.

Other operating expenses fell 9.7% year-on-year to Eu4.2mn (Eu4.7mn in 1H22). Specifically, IT costs were up 5.1%, mainly driven by new investments aimed at improving Group productivity and the quality of services offered to clients. Other operating costs came down thanks to lower energy costs and some cost efficiencies.

• CONSOLIDATED NET PROFIT

The Group closed the first half of 2023 with consolidated net profit of Eu1.1mn (-73.9% vs. Eu4.2mn recorded in 1H22) after factoring in the Eu0.2mn of net profit pertaining to minorities.

• CONSOLIDATED SHAREHOLDERS' EQUITY

Consolidated shareholders' equity as at 30th June 2023 was Eu54.0mn (Eu44.7mn net of minorities). This figure does not include any goodwill booked on the balance sheet.

The Group closed 1H 2023 with rolling 12-month ROE of 7.8%. The group's capital position is particularly strong, having reached an IFR ratio of 5.5x¹, much higher than the SREP requirement assigned by the Bank of Italy.

¹As of June 2021 the SIM benefited from the introduction of new European regulations for financial intermediaries (Regulation (EU) 2019/876 of the European Parliament (amending Regulation (EU) 575/2013 (CRR) & Regulation (EU) 2033 / 2019 of the European Parliament and Council) which introduced capital requirements more in line with financial intermediary activities.

TRENDS IN THE EARLY MONTHS OF 2H23 AND OPERATING OUTLOOK

July and August 2023 witnessed an increase of c.50% YoY in revenues, bringing the YoY decline to c.15% for the first eight months of the year.

This is the result of a major contribution from the Investment Banking function, thanks to the closing of some major deals, as well as an improvement in Global Markets and Sales & Trading activity.

Investment Banking mandates completed since 30th June include the role of Advisor to Saes Getters in a multi-layered capital transaction involving the conversion of saving shares into ordinary shares and a partial tender on saving shares, in which Intermonte also acted as tender offer coordinator. Deals announced since 30th June include the partial public tender offer on treasury shares by Growens, in which Intermonte is acting as advisor and tender offer coordinator.

Global Markets activity has strengthened at the start of the second half of the year, providing encouraging signs: the division's revenues for the year to the end of August 2023 showed a sharp improvement, coming broadly into line with the revenues recorded in the first 8 months of 2022.

In this scenario, the Company expects its full-year revenue trend to be better than was the case in 1H22. This result should be made possible by a particularly strong and attractive pipeline in the Investment Banking sector, expectations for a gradual normalisation of Sales & Trading activity, which should benefit from a continuing increase in the number of clients and an improving market share in the mid/small caps segment, and a positive contribution from Global Markets activity, thanks in part to the implementation of new market strategies. Finally, the Digital Division & Advisory should continue to grow, bolstered by the new website and further services that are on the launch pad.

While the overall environment remains uncertain, in light of Intermonte's continuing capital solidity and strong performance in the early months of 2H22, the Group envisages the distribution of a dividend in line with the previous year, unless there is a further sharp deterioration in macroeconomic and market scenarios.

INTERMONTE

Intermonte is an independent Italian investment bank that is a leading light for Italian and international institutional investors in the mid & small caps segment. Listed on Borsa Italiana's Euronext Growth Milan market, it has a business model that is diversified across four lines: "Investment Banking", "Sales & Trading", "Global Markets" and "Digital Division & Advisory". The Investment Banking division provides services related to extraordinary transactions, including Equity Capital Market, M&A and Debt Capital Market transactions, for listed and non-listed companies. The Sales & Trading and Global Markets divisions support the investment decisions of over 650 Italian and foreign institutional investors, thanks to research of the highest standing by more than 50 professional operators specialising in various asset classes: shares, bonds, derivatives, ETFs, currencies, and commodities. The Research Department is a constant presence at the top end of international rankings for the quality of its research, and offers the broadest coverage of the Italian equity market based on a high degree of sector-specific specialisation. The Digital Division & Advisory is active in asset management and investment consultancy. Websim specialises in the production of financial content for retail investors. TIE - The Intermonte Eye - is the area reserved for financial consultants and private bankers.

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Annexes

Consolidated Income Statement (Eu mn)

		30 06 2023	30 06 2022
10	Net trading income	(1,2)	0.1
50	Fee and commission income	11.7	16.7
60	Fee and commission expenses	(0.6)	(0.5)
70	Interest and similar income	3.4	0.1
80	Interest and similar expense	(1,7)	(0.8)
90	Dividends and similar income	4.1	5.7
110	OPERATING INCOME	15.7	21.3
120	Net value adjustments for credit risk relating to:	0.1	(0.0)
	<i>b) Financial assets measured at amortised cost:</i>	0.1	(0.0)
130	NET INCOME FROM FINANCIAL TRANSACTIONS	15.7	21.3
140	Administrative expenses	(13.2)	(13.7)
	<i>Personnel expenses</i>	(8.5)	(9.3)
	<i>b) other administrative expenses</i>	(4.6)	(4.4)
150	Net provisions for risks and charges	-	-
160	Depreciation and net impairment losses on property and equipment	(0.5)	(0.5)
170	Amortisation and net impairment losses on intangible assets	(0.0)	(0.0)
180	Other operating income and expenses	(0.1)	0.1
190	OPERATING COSTS	(13.8)	(14.2)
200	Profit (Loss) from equity investments	-	-
240	PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	1.9	7.1
250	Income tax	(0.6)	(2.1)
260	PROFIT AFTER TAX FROM CONTINUING OPERATIONS	1.3	5.0
270	Profit after tax from discontinued operations	-	-
280	PROFIT (LOSS) FOR THE YEAR	1.3	5.0
290	Profit (loss) for the year attributable to minority interests	0.2	0.7
300	PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE PARENT COMPANY	1.1	4.2

Consolidated Balance Sheet (Eu mn)

Assets		30 06 2023	31 12 2022
10	Cash and cash equivalents	14.9	13.1
20	Financial assets measured at fair value through profit or loss	105.6	85.5
	a) financial assets held for trading	105.6	85.5
40	Financial assets measured at amortised cost:	116.9	93.1
	a) loans and receivables with banks	36.7	19.5
	b) loans and receivables with other financial institutions	76.3	69.4
	c) loans and receivables with customers	3.9	4.2
80	Property and equipment	3.2	3.6
90	Intangible assets	0.2	0.1
	- goodwill	-	-
100	Tax assets	2.9	5.8
	a) current	1.7	4.3
	b) deferred	1.2	1.5
120	Other assets	7.2	1.8
TOTAL ASSETS		250.9	202.9
Liabilities and shareholders' equity		30 06 2023	31 12 2022
10	Financial liabilities measured at amortised cost	114.8	56.0
	a) liabilities	114.8	56.0
20	Financial liabilities held for trading	71.4	66.6
60	Tax liabilities	0.3	2.8
	a) current	0.3	2.7
	b) deferred	0.1	0.1
80	Other liabilities	6.6	11.4
90	Post-employment benefits	0.2	0.1
100	Provisions for risks and charges	3.5	4.1
	c) other provisions for risks and charges	3.5	4.1
110	Share capital	3.3	3.3
120	Treasury shares	(0.3)	(8.6)
150	Reserves	40.6	50.5
170	Profit (loss) for the year	1.1	6.5
180	Minority interests	9.3	10.0
TOTAL LIABILITIES AND EQUITY		250.9	202.9