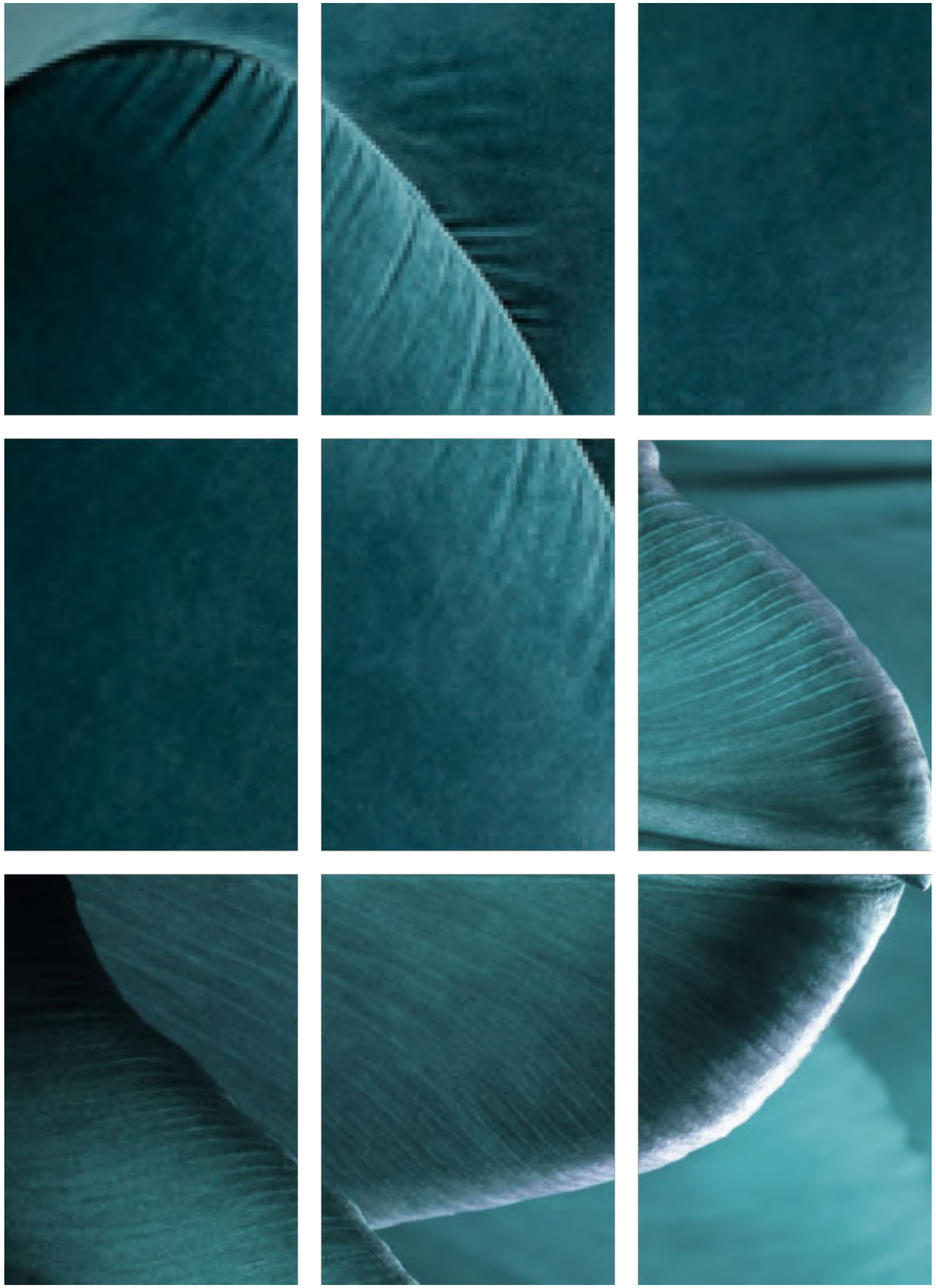
STILISTI URBANI - MADE IN MILANO

Abitare In®

ANNUAL FINANCIAL REPORT AS AT 30 SEPTEMBER 2023



STILISTI **URBANI**

Made in Milano

Summary

AbitareIn S.p.A.
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Management and control bodies

Board of Directors

Luigi Francesco Gozzini	Chairman and Chief Executive Officer
Marco Claudio Grillo	Chief Executive Officer
Mario Benito Mazzoleni	Independent Board member
Giuseppe Carlo Vegas	Independent Board member
Nicla Picchi	Independent Board member
Eleonora Reni	Board member

Board of Statutory Auditors

Ivano Passoni	Chairman
Marco Dorizzi	Standing statutory auditor
Matteo Ceravolo	Standing statutory auditor
Fanny Butera	Substitute statutory auditor
Mariateresa Giangreco	Substitute statutory auditor
Auditing firm	BDO Italia S.p.A.
Manager in charge of preparing the accounting documents	Cristiano Contini

Group structure as at 30 september 2023

- AbitareIn Maggiolina S.r.l.
- Milano City Village S.r.l.
- Trilogy Towers S.r.l.
- Palazzo Naviglio S.r.l.
- Savona 105 S.r.l.
- Porta Naviglio Grande S.r.l.
- TheUnits S.r.l.
- Lambrate Twin Palace S.r.l.
- AbitareIn Development 5 S.r.l.
- MyCity S.r.l.
- Homizy Siiq S.p.A.

AbitareIn Development 3 S.r.l., AbitareIn Development 4 S.r.l., AbitareIn Development 6 S.r.l, AbitareIn Development 7 S.r.l. , Mivivi S.r.l., Smartcity Siinq S.r.l., City Zeden S.r.l., Volaplana S.r.l., Deametra Siinq S.r.l., Immaginare S.r.l., Creare S.r.l., Hommi S.r.l., Housenow S.r.l., Accursio S.r.l., Citynow S.r.l., Ziro S.r.l., Costruire In S.r.l., New Tacito S.r.l., Edimi S.r.l., Hub32 S.r.l., MyTime S.r.l., Just Home S.r.l.

Disclaimer

These yearly financial statements, and in particular the sections entitled “Outlook” and “Main risks and uncertainties to which the AbitareIn Group is exposed”, contain forward-looking statements. These statements are based on the Group's cur-rent expectations and projections of future events and, by their nature, are subject to an intrinsic component of risk and uncer-tainty. They refer to events and depend on circumstances that may, or may not, happen or occur in the future. Actual results may differ from those contained in these statements due to a variety of factors, such as volatility in capital and financial mar-kets, changes in macroeconomic conditions and economic growth and other changes in business conditions, changes in legisla-tion and on the institutional scenario and many other factors, including possible developments in the Covid-19 pandemic, most of which are outside the control of the Group.

Report on the management of group AbitareIn

The AbitareIn Group specialises in implementing urban regeneration and redevelopment residential projects involving the purchase of disused or abandoned properties, their demolition and the construction of new residential complexes (both phases that are entirely outsourced through tender contracts) and, finally, their marketing. The Group mainly addresses families who buy a home to live in, focusing its development activities, in particular, on the semi-central and semi-peripheral areas of the city of Milan, whose selection - the result of careful research within a portfolio of opportunities outlined by an Is-suer's internal team - is based on the socio-economic fabric, demographics and the supply and demand relationship.

Starting at the end of 2019, the Group launched the project called “Homizy”. Homizy nowadays is an innovative SME, 70.7% owned by the parent company AbitareIn S.p.A., dedicated to the development of a new strategic line of business, namely the development and rental of residential properties through so-called co-living solutions, listed on the Euronext Growth Milan market, in the Professional segment.

In particular, Homizy aims to offer young people, aged between 20 and 35, who relocate from their places of origin to a different city to pursue their career path or who want to fly the nest to become more independent, a living solution that guarantees efficiency in management and maintenance, innova-tive services and spaces for socialising.

Pursuant to IFRS 8, no information is provided in relation to operating segments as this is not deemed to be material.

Letter to Shareholders

Luigi Francesco Gozzini

Presidente

Marco Claudio Grillo

Amministratore Delegato

Dear Shareholders,

Today, we present AbitareIn's Annual Report for the fiscal year 2023.

The results of this fiscal year represent the maturity level achieved by our company. It has been a year filled with activities and innovations within a context still characterized by uncertainties and complexities linked to the European and global macroeconomic situation.

During this fiscal period, we delivered over 400 apartments to as many families, finalizing the vast majority of notarial deeds for projects such as Milano City Village, Palazzo Naviglio, and Trilogy Towers. In a time of high borrowing costs, we substantially reduced the Group's debt (by over €100 million from the peak in December 2022) thanks to strong financial discipline. We utilized a debt structure that can be considered as "self-liquidating," accessed only after reaching the break-even point in sales and repaid simultaneously upon the notarization of real estate units.

Today, we stand as a mature company, with steady results and a strong asset base, ready to seize significant market opportunities. These opportunities include low competition among operators, a focus on the energy efficiency of homes as mandated by the EU Directive known as the "Green Home," and the resilience of the residential sector.

As further evidence of this achieved maturity, during this fiscal period, we decided for the first time to allocate part of our results not only to the company's growth but also to directly remunerate our shareholders. This initiative includes the commencement of a stable dividend distribution and a substantial buy-back plan.

In November of this year, we also announced the expansion of our business model. AbitareIn will now operate as a service provider to third parties, leveraging our specialized expertise in the residential development sector. With this new business opportunity, AbitareIn will offer its technological platform and competencies to other operators for marketing and communication activities, optimizing products, fine-tuning floor plans, personalizing apartments, and providing customer care. Initiating this new form of collaboration with other operators marks a significant milestone in our business development. Over the years, we have invested heavily in innovation and specialization, and today, we have reached a level of maturity and expertise that enables us to offer our know-how to third parties.

Regarding sales, after a decline in the first half of 2023 due to increased mortgage rates and media pressure regarding the alleged "high prices" of homes in the city, prompting families to postpone home purchases in anticipation of more favorable conditions, we are now witnessing a recovery. Between September and December, we sold apartments worth over €25 million. Moreover, we are investing in streamlining our products and production processes, leveraging available technologies more efficiently to enhance the competitiveness of our offerings.

Luigi & Marco

Highlights

Statement of financial position highlights

at 30.09.2023

170 m €
Value of inventory

83 m €
Loan

49%
Loan to Cost

Key non-financial indicators

at 13.12.2023

Development Pipeline

229,000 sqm[3-4]
Net saleable area

550 €/m^2
Net saleable area purchase cost

2.517[1-5]
Apartments

18
Projects

Order book

455[1]
Apartments

370[2]
Preliminary contracts signed

208.9 m €
Total value

65.6m €
Advances from contracted customers

Construction site progress

830[1]
Apartments delivered

295 m €
Units delivered
(value)

354[1]
Apartments under construction

169 m €

[1] No. of appartments considering an average size of 92 sqm for marketing in free building and 82 sqm for social housing. The number of appartments actually realised and of contracts signed, without prejudice to the overall size, may vary depending on the customisation of the size of the units.
[2] It may differ from the no. of appartments depending on the actual size of the appartments sold. In recent transactions AbitareIn has seen a significant and progressive increase in the average size of appartments sold.
[3] This includes 12,800 sqm of commercial space equal to 140 model appartments on which development in the co living formula through the subsidiary Homizy S.p.A. is being evaluated.
[4] Of which 26,000 sqm commercial of social housing.
[5] Of which 317 appartments in of social housing.
[6] Construction site that can be launched in 12 months.

Pipelines **under development** (as at the date of approval of this report)

As of today, the AbitareIn Group owns 17 areas in the city of Milan (in addition to an area under development in Rome in collaboration with the Techbau Group), totaling approximately 229,000 square meters of commercial development projects, equating to 2,517 typical apartments. These various initiatives are in different stages of development.

Among the apartments in the pipeline, marketing activities (utilizing micro-campaigns) are currently ongoing for the Lambrate Twin Palace, Palazzo Sintesy, Balduccio Dodici, Frigia 7, Palazzo Grè, and Corte Naviglio projects, totaling around 540 typical apartments.

Additionally, the marketing of the Corte dei Principi Project, an initiative carried out by the Techbau Group in collaboration with AbitareIn, is currently in progress.

As of today, the order book comprises over 455 apartments sold on a preliminary basis, amounting to a value of €208.9 million, with contracted advances (guaranteed by an insurance surety bond) totaling €65.6 million.

To date, the Group has delivered 830 apartments across the AbitareIn Poste, AbitareIn Maggiolina, Olimpia Garden, Milano City Village, Trilogy Towers, and Palazzo Naviglio projects, with an overall value of €295 million. Additionally, 354 apartments are currently under construction, valued at €169 million.

[1] No. of apartments assuming an average size of 92 sqm for the marketing of free building and 82 sqm for ERS. The number of flats actually built and of contracts signed, without prejudice to the overall square footage, may vary depending on the customisation of the cut of the units.

Projects under development

17 projects under construction or marketing located in the areas of Milan with the highest growth rate

This is **us**

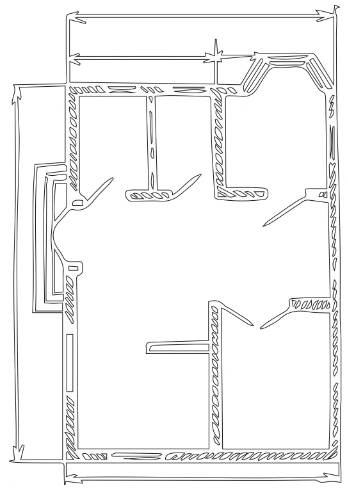
Founded in 2015 by leveraging the collective experience of over 15 years from its founding partners, Luigi Gozzini and Marco Grillo, AbitareIn swiftly emerged as the leading company in the residential real estate development market in Milan, boasting a portfolio of 23 projects in the pipeline, totaling over XX apartments.

The fusion of deep industry know-how and a high degree of innovation, digitalization, and specialization gave rise to AbitareIn's new philosophy: Home By You. It revolves entirely around the concept of personalization while benefiting from the economies of scale inherent in an industrialized model. All made possible through a unique platform in our sector: the Home Configurator.

In April 2016, AbitareIn was listed on the Euronext Growth Milan market (formerly AIM Italia), and since March 1, 2021, it has been listed on the Euronext STAR Milan segment of the Euronext Milan market.

AbitareIn is dedicated to urban regeneration through the demolition of disused or abandoned buildings, contributing to the enhancement of the city's housing fabric by creating new residential interventions focused on families. These projects are characterized by strong aspirational appeal and significant aesthetic and architectural impact.

Despite AbitareIn retaining in-house expertise for site selection, project design, and obtaining regulatory approvals - pillars of its distinctive identity - the actual construction phase of projects is entrusted, through contracts, to renowned construction operators. This approach helps mitigate associated risks, supported by extensive technology use that allows the company to continuously monitor construction sites and intervene promptly when necessary..

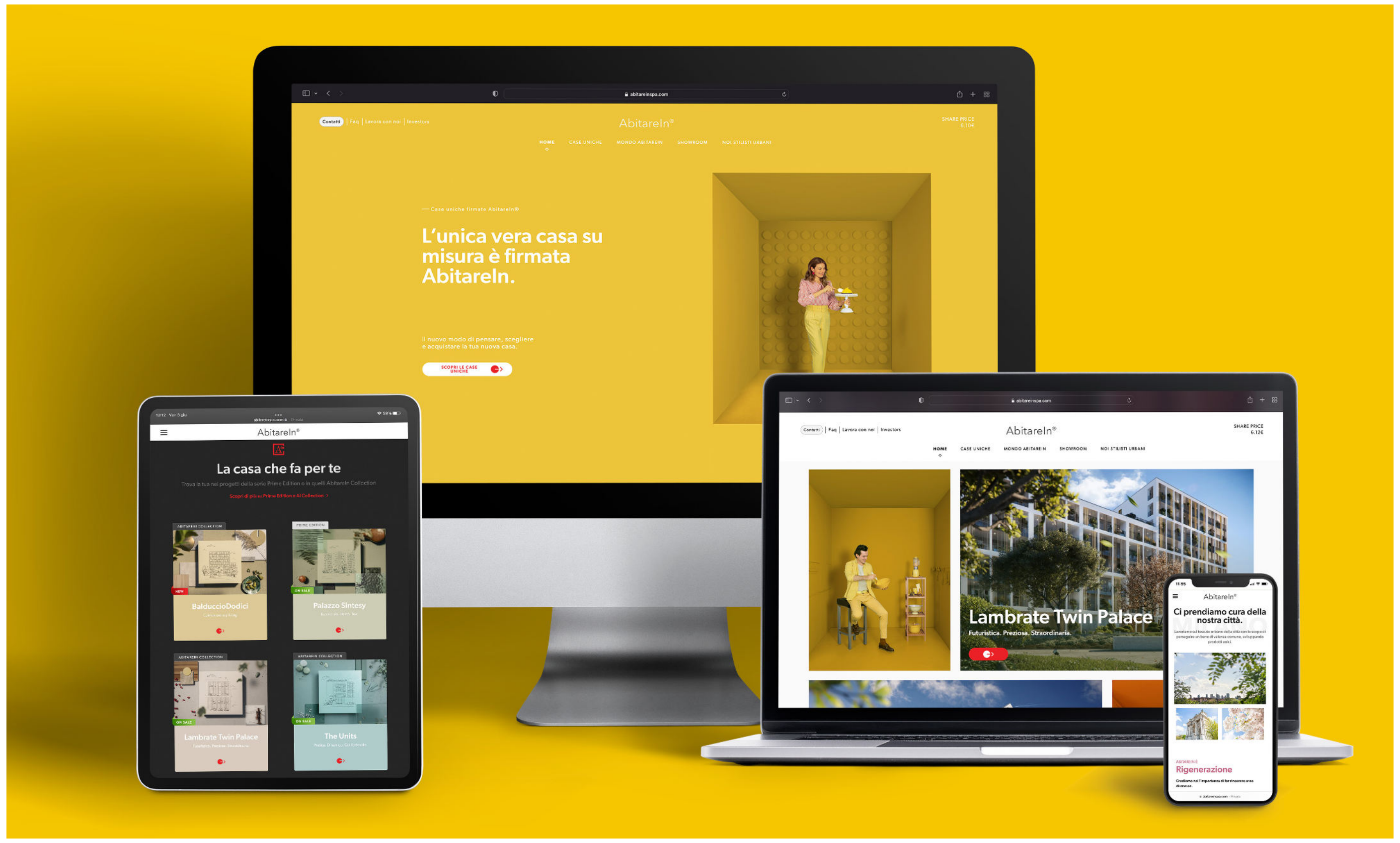


Its real estate initiatives have consistently demonstrated exceptional performance, even during years of crisis. The company has developed and perfected its product and marketing strategy through robust branding activities and the use of cutting-edge technological tools and Customer Relationship Management (CRM) methodologies.

In 2022, AbitareIn introduced an innovative project: an e-commerce platform for the online sale of homes under construction. Through this platform, the company offers customers an extremely immersive and comprehensive purchasing experience, leveraging innovative technological solutions: artificial intelligence from a virtual assistant available 24 hours a day, an online apartment configurator, the ability to virtually experience apartments through virtual reality tools in the showroom, the option for video conference appointments, as well as the digitalization of all documental and contractual steps.

Thanks to its unique business model within the Italian landscape, AbitareIn has garnered support from significant national and international players in both the real estate and financial sectors, who have become part of the company's shareholder base and have accompanied the company on its growth journey. The Group's "compartmentalized" structure, combined with project marketing methods (sales preceding construction), ensure project self-financing and the company's asset solidity.

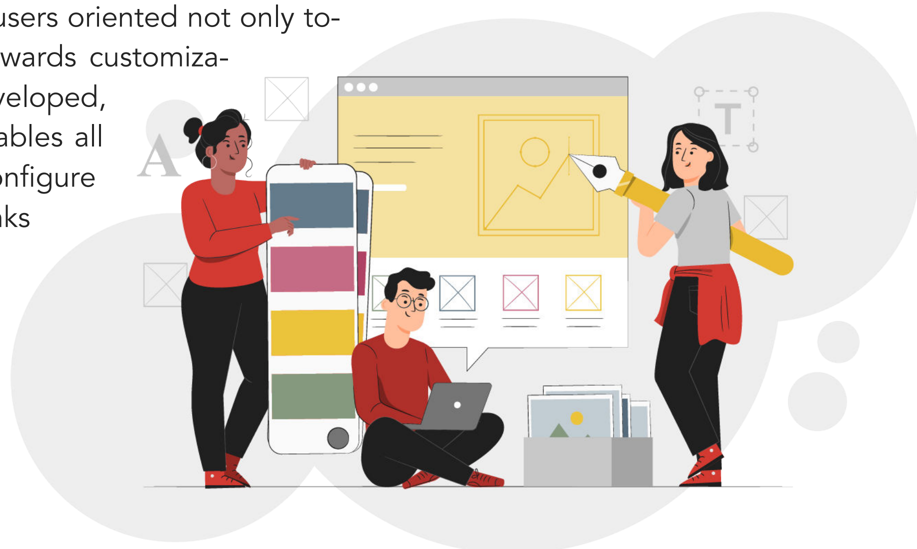
Home Configurator, the first platform for online customization



The meeting of the visions of the founders, Luigi Gozzini and Marco Grillo, gave birth to AbitareIn S.p.A. and revolutionized the paradigm of residential development.

The two developers, aware of the importance of redefining the typical dynamics of the real estate sector, introduced processes of innovation, computerization, and industrialization into the residential sector similar to those in other industries, overcoming physical limitations thanks to the AbitareIn Corporate E-Commerce Platform dedicated to selling houses online. This technology, launched in 2022, allows the visualization of all AbitareIn's real estate proposals in a single web environment, selecting different housing solutions, requesting quotes, booking appointments at the physical showroom (also enhanced with digital hardware and software technologies), or in video mode, and making purchases online.

To meet the increasing demand of users oriented not only towards online purchases but also towards customization, the Home Configurator was developed, an innovative and free tool that enables all customers to select finishes and configure their own home independently, thanks to numerous customization options developed directly by our architects in collaboration with our partners.



Homizy built to share

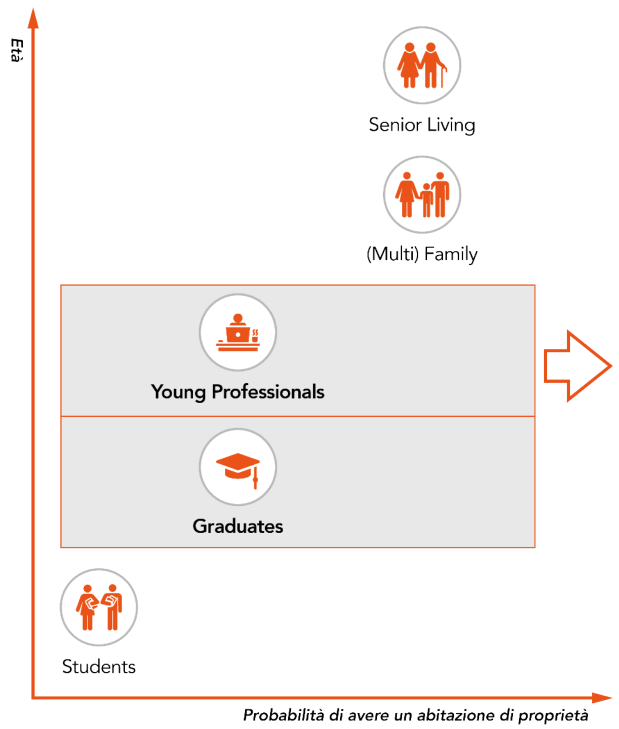
Homizy is the business line of the Group currently developing rental properties in Milan in the form of CO-LIVING.

Homizy represents the residential application of the sharing economy: sharing of goods, spaces, and services to create new opportunities for social interaction, through pervasive use of technology, ensuring better management efficiency and resource optimization..

Mission

1. **Transforming "living" into a SHARED EXPERIENCE by fostering connections between people.**
2. **Making everyone who has embarked on a personal and professional growth journey in Milan "FEEL AT HOME".**

Target



THE TIPICAL CO-RESIDENT

- Indicative age between **20 and 35 years** old
- Has embarked on a professional journey **coming from a city other than Milan** or, while working, is seeking **independent housing compared to family**
- **Rents directly (B2C) or receives the room as a corporate benefit (B2B) - advantageous taxation**
- Has an **average income of less than 2,500 euros per month**
- Is a user who is not yet considering the "**step**" of purchasing a house

THE PROFILE OF THE CO-RESIDENT

- They are experiencing the characteristics of a new, more fluid and **dynamic work** world that demands **greater adaptability**
- They are attentive to more dynamic housing solutions, integrated with key ancillary services, for a **living experience better suited to their needs**
- They are interested in **solutions that foster cohesion,** social interaction, and both personal and professional relationships
- This is likely their **first house hunt, and they choose co-living** not solely for economic reasons
- They anticipate an **average stay of 9 to 12 months**

The Homizy product

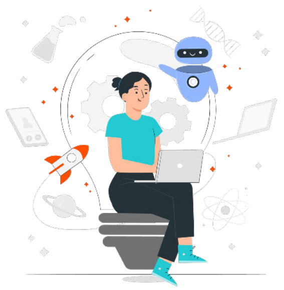
1 **Ad hoc smart building**
New trendy and smart residential complexes, specifically designed and built for a new rental model, ensuring efficiency in management and maintenance, innovative services, and socialization spaces.

2 **Innovative and unique product**
To meet a new type of demand, anticipating market trends and aiming to quickly attain a leading position in the industry.

3 **AIn Know how and market segment**
By leveraging economies of scale and AbitareIn's know-how, HZY introduces a product in Milan priced between 650-900 € per unit, featuring an innovative «all-inclusive» formula. This comes at a market phase where supply is very limited and not in line with current market demands. The concepts of redeveloping semi-central and peripheral areas remain valid for AIn.

Homizy business model

How we do it

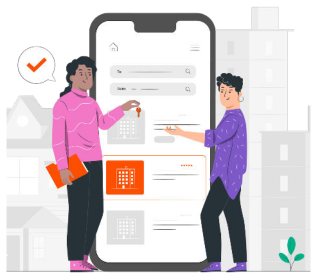


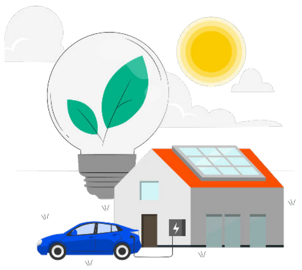
TECHNOLOGY

Homizy leverages the most innovative existing technologies both in development and for the subsequent daily management of buildings. It will harness the know-how of its parent company, AbitareIn, to acquire software enabling efficient management of every process.

USER FRIENDLY APP

Users will benefit from significant technological support through a dedicated app: access to rooms and common areas, contract management, payments, and maintenance, along with a social section and community, will all be entirely handled through the Homizy app.





ENERGY EFFICIENCY

Environmental sustainability is one of Homizy's priorities. The properties will be built in energy class A, with system solutions that allow a payback on consumption within 6-7 years.

Homizy concept

AbitareIn Maggiolina

RESERVED. LIGHTWEIGHT. REFINED.

AbitareIn Maggiolina is the second project carried out by AbitareIn, completed and delivered from 2020 onwards.

125 apartments distributed in the two buildings, Sky Tower and Maggiolina Gardens, originating from the complete regeneration of an abandoned and degraded area, which used to house the headquarters of the daily newspaper "Il Giorno".

In the AbitareIn Maggiolina project, architecture and nature merge and liaise to create a unique backdrop in the heart of the Maggiolina neighbourhood, known for its natural beauty spots on the Martesana and for its orchards and splendid villas.

The icon of the project is the system of suspended white floors, of an evident formal clarity, which rise one after the other, leaving free and flexible the space between them.

Each terrace becomes a supporting structure for nature to develop. A skilful alternation of hanging parapets gives a green tone to the outdoor private areas, transforming them into authentic high-rise gardens, irresistible features, corners of paradise to enjoy the Milan skyline from.

The materials used for the external cladding and the interiors also echo the effects and the forms of nature. All glazed components, from the generous openings to the parapets, soften the bulk of the two buildings - Sky Tower and Maggiolina Gardens - making them light and contemporary.

Linking the residential development to the city, an enormous park offering a completely immersive experience: lawned and paved areas, environments where a range of shrubbery creates a natural backdrop.

Milano City Village

DYNAMIC. MULTIFACETED. HARMONIUS.

The former industrial site at via Tacito was a perfect example of urban void, which has finally been given a brand new lease of life with the Milano City Village project.

The design concept takes inspiration from the square, as a centralising element, a catalyst of social interaction and an accelerator of relationships, a space placed at the centre, metaphorically and physically, of the built complex.

In keeping with the style of the typical Milanese inner courtyards, Milano City Village has its own internal space, a place where one can rediscover the essence of the human dimension.

A courtyard that is a square, a meeting place, a place of passage but also a space to relax in, in which to rediscover a sense of communion with oneself and the community.

In Milano City Village the mosaic effect of the facade features ample, deep loggias, jutting out here and there like delightful suspended terraces. The contrast between solids and voids enlivens the facades and creates a new architectural landscape: an urban scenario that was not there before, mending the tear between the consolidated historical city and the new city in expansion.

Trilogy Towers

PRECIUS. SOPHISTICATED. PEACEFUL.

A residential complex of three towers with evocative names: Gold, Diamond and Platinum.

Trilogy Towers hands back a precious fragment of the city to the community in the form of a brand new residential complex, with architectural and compositional features that give renewed vitality to the local area.

The project is based at Via Gallarate, in the north-west area of Milan, which has been known as an experimental district from the early 20th century.

Once home to important industries, the area now offers enormous regeneration opportunities.

It is no coincidence that the area is on axis with the City Life - Tre Torri and Portello projects, two major urbanisation initiatives that have recently transformed the face of the city of Milan.

Trilogy Towers is unique for the meticulous design of the facades, finely chiselled as if by the skilled hands of a goldsmith. Stylish metallic detailing makes the surfaces precious and iridescent. Like a jewel.

The interplay of solids and voids, the juxtaposition of different materials and the different depths of the elements convey movement and dynamism to the facade.

Palazzo Naviglio

CONTEMPORARY. ELEGANT. INNOVATIVE.

Palazzo Naviglio steps into the Milanese panorama with a new approach to residential property design, introducing, in the historic Giambellino neighbourhood, a building with a very low environmental impact that promotes sustainability as a lifestyle in the broadest sense.

A contemporary building - two staggered structures with large loggias overlooking the city and the Naviglio canal. Light bamboo and metal slats enliven the facade, drawing sinuous profiles like branches.

Air, water, light, wood, green: the palette, in pastel tones, evokes the natural elements and narrates a deep and intimate relationship between man and nature, an expression of harmony and mutual wellbeing.

The bamboo wood covering, a material with a completely neutral ecological impact, creates a naturally warm and enveloping atmosphere.

From Nature for Nature.

Cutting-edge technology, very low emissions: from plaster that purifies the air, capturing pollutants, to the rainwater collection and organic waste management systems - expressions of a profound green philosophy.

105

Savona 105

FRESH. PRESTIGIOUS. ALLURING.

Savona 105 (https://abitareinspa.com/it/caseuniche/savona-105/) underlines once again AbitareIn's ability to identify strategic areas of intervention for Milan. After Palazzo Naviglio in the Giambellino neighbourhood, AbitareIn has moved just a short distance to one of the areas with the highest level of great cultural ferment: Tortona. With a project designed as a tribute to the stimulating process of "creative regeneration": a project that gives new life to disused and abandoned material through culture, art, design.

Immersed in a park where green rooms alternate with paved areas, the ground floor of the building accommodates multiple services, taking inspiration from hotels and the smart city concept: the former so that each resident can feel like a welcome guest every day, the latter to improve the organisation of daily activities.

The internal amenities make it easier to organise everyday activities to leave more time for passions.

A way to achieve a better quality of life.

Olimpia Garden

INTIMATE. GREEN. CHARMING.

Just a short walk from the underground station, Olimpia Garden is AbitareIn's new complex of 138 apartments across three buildings (two of which already built), with a large private park and a number of communal areas.

The complex consists of different types of apartments, all delivered "turnkey" including furniture packages de-signed specifically by AbitareIn's Interior Designers to offer an efficient and stylish product.

The project is located in an urban context that is undergoing large-scale development and redevelopment, straddling the highway that will link the Olympic Village due to be built for the 2026 Winter Olympics and the new Milan Arena, Palaitalia, to be built in the Santa Giulia neighbourhood.

Porta Naviglio Grande

ENERGETIC. IDENTITARIAN. THECNOLOGICAL.

Porta Naviglio Grande (https://abitareinspa.com/it/caseuniche/porta-naviglio-grande/) fits into an area that has been clamouring to be developed for a long time now, between Piazzale Ohm and Via Richard and Via Faraday.

It will be an identity-making, modern and symbolic project, involving the creation of two buildings inspired by geometric architectural design and designer ceramics, for a continuous dialogue with the neighbourhood's history - past and future.

AbitareIn makes its contribution to the city once again, to create additional added value for everyone, still maintaining the style that distinguishes it from the rest of the market. Because today more than ever, everyone needs beauty.

The Porta Naviglio Grande apartments have been designed according to criteria based on sustainability, functionality, comfort and design. All the apartments have been designed to respect the environment and save energy. The A1 energy class is a guarantee of reduced energy consumption due to the heating and cooling of indoor spaces. From photovoltaic panels that convert light into electricity, to large outdoor spaces to appreciate the benefits of fresh air and the magnificent roof that turns into a roof garden where you can see an urban garden bloom. But that's not all, the project hosts several services (Smart Work – Bike Lab – Delivery Room) that simplify people's days, by meeting various daily requirements.

The Units

PRATICAL. DYNAMIC. COMFORTABLE.

The Units is a residential complex overlooking Piazzale Accursio, a Milan area with a dynamic, fresh and innovative personality. The proximity of Piazza Portello and City Life offers numerous possibilities for entertainment, places of interest and catering. In fact, the area is rich in contemporary architecture, shops and sculptures to discover just as an open-air museum.

Each apartment has an external private area to enjoy the open air and be in contact with nature, while remaining in one's home space. In addition, you can enjoy an exclusive view of the panoramic Rooftop Garden which offers moments of relaxation surrounded by green tubs containing trees and shrubs.

This natural dimension converses harmoniously with innovative and high-tech materials. The combined effect of stone and wood in the structure goes perfectly with the steel and glass of the stairwell structure in a composition that allows a mix of warm and natural nuances with high-tech transparency and style, providing the exclusive 12 apartments with a unique combination of tradition and innovation.

The daily needs of residents will be met by interiors designed for maximum comfort and thanks to smart systems that help to manage home expenses, times and functions. The revolutionary home automation system, Smart Living Now by Bticino, makes it easy to control consumption and costs. The Twix material consists of regenerated hard woods, thus with a zero impact on deforestation; the Controlled Mechanical Ventilation system among the many advantages also ensures a change of air and the filtering out of bacteria and dusts.

Lambrate Twin Palace

FUTURISTIC. PRECIOUS. EXTRAORDINARY.

With a green area of 3,613 square metres and a total of 93 apartments, Lambrate Twin Palace (https://lambratetwinpalace.com/) provides space for creative regeneration within the urban context of Ventura Lambrate. It includes two buildings, Oro, overlooking Via Sbodio, and Ambra, overlooking Via Massimiano. The choice of exposure is also the result of the search for balance with nature: you can take real advantage of the natural light and the most exposed façades have parapets and brise-soleils that create a comfortable and elegant filter that increases shade and privacy.

The reception area will include a tribute to the artist Giampaolo Talani, keen on themes such as travel, movement and dreams. All the apartments have an external, yet reserved area, to enjoy the open air and a unique landscape view. The energy class A1 and superior is obtained thanks to the use of environmentally friendly technical and plant solutions: the heat of the Sun is absorbed and converted into clean electricity. The aim is to bring people closer to nature, but also to art and beauty.

In addition to art, this also means talking about community: the project has a porticoed courtyard that frames a suitably equipped green oasis, with aromatic plants, shrubs and small trees, offering a perfect natural scenario for relaxing moments.

In an area characterised by the joint presence of historical places, on one side, and innovative spaces dedicated to urban regeneration, on the other, AbitareIn aims to enhance this duality, taking advantage of the possibilities offered by the present while looking forward towards future opportunities.

Palazzo Sintesy

ESSENTIAL. UNIQUE. YOURS.

Palazzo Sintesy (https://abitareinspa.com/it/caseuniche/palazzo-sintesy/) is the new project in the PRIME EDITION series by AbitareIn that rises in Milan Lambrate, an area engaged in urban transformation thanks to innovative redevelopment projects focused on creating and preserving green areas and spaces intended for socialisation. The district has the Parco Lambro, so called because it was here that Innocenti, the manufacturer of the famous Lambretta, had its headquarters. The area is rich in both environ-mental and cultural stimuli thanks to its proximity to City Life, an area where innovation reigns, and to Ortica, a his-toric district that tells the story of Milan through great wall paintings.

The combination of simple, marked concept shapes with the pale, pure colours of the façade allows the structure to fit in perfectly with the surrounding context. The white plaster is in perfect contrast with the cladding of the base in Ceppo di Grè, a typical material used in Milan.

The apartments on the ground floor enjoy a private garden for their moments of relaxation. The balconies allow natural light to come in and embrace the rooms, lavishing a unique, warm atmosphere. There is also a condomini-um garden, completing the building. The interiors feature an all-Italian style: here visual appeal and everyday life are in perfect harmony.

The project was also designed with the aim of preserving the natural assets. In fact, there are spaces dedicated to the collection of rainwater, energy class A1, which allows residents to save on costs and an integrated air system that regulates heating and cooling in order to have optimum temperatures at all times. In addition to this many facilities, there is also a video surveillance and anti-intrusion service.

It is a project where aesthetics, safety, comfort and sustainability are in perfect harmony.

BalduccioDodici

PRESTIGIOUS. SHINING. INIMITABLE.

AbitareIn's new project, BalduccioDodici (https://abitareinspa.com/it/caseuniche/balducciododici/), is located in via Balduccio da Pisa 12, on the corner with via Orobia and fits harmoniously into the surrounding context, thanks to the structure of the facade, composed of vertical tensions that create a blend of solids and voids offering constant contact with the open air. More traditional colours such as white and grey, as well as a warm sandy hue, add elegance to the whole complex.

The elegant loggias overlooking the Milan skyline are welcoming and designed to evolve into a space that can bring the city and nature together. There is also a private condominium garden where you can enjoy the scents of vegetation with all its shades of colour and take a rest: a corner to relax and socialize. In addition, the bike lab services, delivery lockers and multi-purpose hall will help you organise your routine more easily and with peace of mind.

The apartments have been meticulously designed to brighten your daily life with natural light and offer you comfort and safety. Indeed, the high-quality materials combine with state-of-the-art technologies that allow controlled and reduced consumption thanks to the controlled mechanical ventilation system: the A1 energy category is thus a result of environmentally friendly technical and plant solutions. In addition, the video surveillance and anti-intruder system is equipped with high-definition cameras that guarantee maximum security.

The project fits into one of the city's most lively and innovative areas: the Fondazione Prada district, adjacent to Porta Romana, another iconic area of Milan. This area is full of cultural, artistic and even commercial places of interest, well served by public transport and within walking distance of the centre. An eclectic neighbourhood characterised by a series of buildings from different historical periods and where different spirits coexist: a quieter one typical of a residential area and one full of energy that is closely associated with the spaces dedicated to fashion and social life.

Frigia 7

BRIGHT. PANORAMIC. CONNECTED.

Frigia7, the new authentic project by AbitareIn located at Via Frigia 7 (https://abitareinspa.com/en/uniquehomes/frigia-7/), seamlessly blends into its surrounding context with its minimalistic character featuring linear volumes in a play of solids and voids. The towering structure offers a unique cityscape from its upper floors.

The fusion of materials and colors creates an elegant yet fresh and youthful style. The architectural structure is adorned with balconies overlooking the Milan skyline. The apartments (two-bedroom, three-bedroom, and four-bedroom) feature renowned design brands and precious details stemming from the Made in Italy tradition.

Mechanical Ventilation ensures constant air circulation, humidity control, and filtration of bacteria and dust. The A1 energy class or higher allows control and containment of consumption and costs.

Outdoor moments are made possible through the communal park, abundant with shaded areas, lush green spaces, and bike parking to support and encourage sustainable mobility.

PalazzoGre

SEDUCTIVE. CHIC. NEW.

AbitareIn's extraordinary new project, Palazzo Grè (https://abitareinspa.com/en/uniquehomes/palazzo-gre/), is located at Via Tacito 7, near the Romana Railway Yard. It delicately integrates into its surroundings with an architectural structure composed of solids and voids, creating an irregular yet harmonious space.

A palette of soft colors creates an unprecedented contrast with metallic elements, in a blend of materials typically Milanese. The elegant loggias, extensions of the indoor spaces, offer the opportunity to enjoy fresh air and personalize the space with various plants and flowers.

The apartments (ranging from two-bedroom units to penthouses) are designed to offer maximum comfort. Each room features specifically chosen materials and colors to reflect the personality of its inhabitants. All are in energy class A1, enabling containment of consumption and costs.

Just as detailed are the common services offered to residents: a lobby, bike parking, a point for order deliveries, and a well-maintained communal park to enjoy greenery during moments of relaxation.

Palazzo Grè, covering approximately 2,870 square meters, is situated in one of the areas undergoing significant regeneration, close to Milan's city center and well-served by transportation, making it easy and quick to reach any other part of the city.

Corte Naviglio

ECLECTIC. TIMELESS. REFINED.

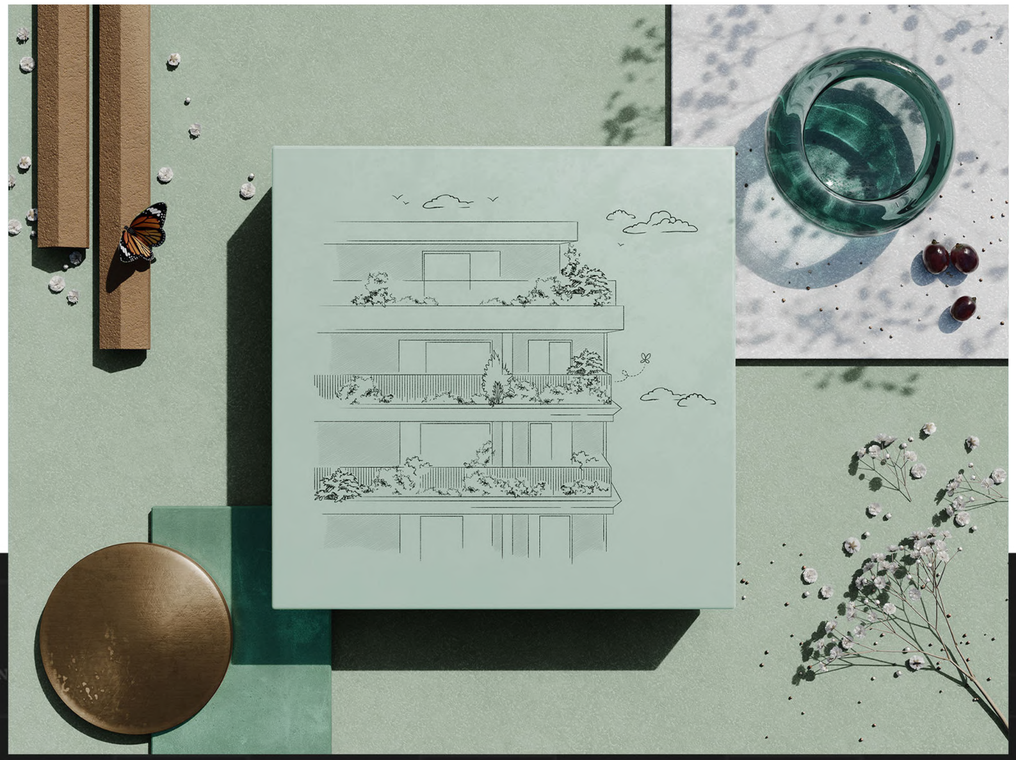
Corte Naviglio (https://abitareinspa.com/en/uniquehomes/corte-naviglio/) is AbitareIn's extraordinary new project located at Viale Richard 20, in the Naviglio Grande area. The facade, composed of metallic materials in shades of green and anthracite, boasts a sophisticated design that harmoniously blends into the neighborhood.

The interior spaces (ranging from two-bedroom units to penthouses) are designed to offer maximum comfort to its residents, allowing the full utilization of natural light, thanks to the specifically planned building orientation. Moreover, the A2 energy class, achieved through environmentally respectful technical and system solutions, guarantees reduced consumption and consequently lower costs.

The spacious and elegant loggias extend the internal space, offering moments of tranquility in the open air and providing a panoramic view at any time of day.

An added value is the communal park surrounded by services designed for residents' convenience, such as the lobby and sustainable mobility with bike parking.

The project stands in an iconic area of Milan: the Naviglio Grande has always been a symbol of the city, and today more than ever, it's an area undergoing significant changes in terms of urban regeneration. A tranquil neighborhood, yet close to some of the most coveted points of interest and entertainment.



Corte dei Pricipi

SOUGHT AFTER. HARMONIOUS. COMPOSED.

Corte dei Principi (https://abitareinspa.com/en/uniquehomes/corte-dei-principi/) is a project realized by Gruppo Techbau in collaboration with AbitareIn, located in the area between the Bande Nere and Gambara stops: Viale Aretusa. It's a residential area rich in services and well-connected to every part of Milan.

The architectural structure of the two buildings is distinct: one speaks of the future, the other of tradition. Two separate identities that dialogue with each other, blending past, present, and future, harmonizing within the surrounding context.

The urban villas feature delightful private gardens, while the newly constructed building offers spacious loggias to enjoy outdoor moments, even in company. The facades are composed of textures and materials that create a typically urban style.

The apartments (two-bedroom, three-bedroom, and four-bedroom) are designed to provide tranquility and comfort, furnished in the image and likeness of those who inhabit them. The A3 or higher energy class ensures reduced consumption and thus lower costs, while Mechanical Ventilation guarantees air circulation, humidity, and dust control.

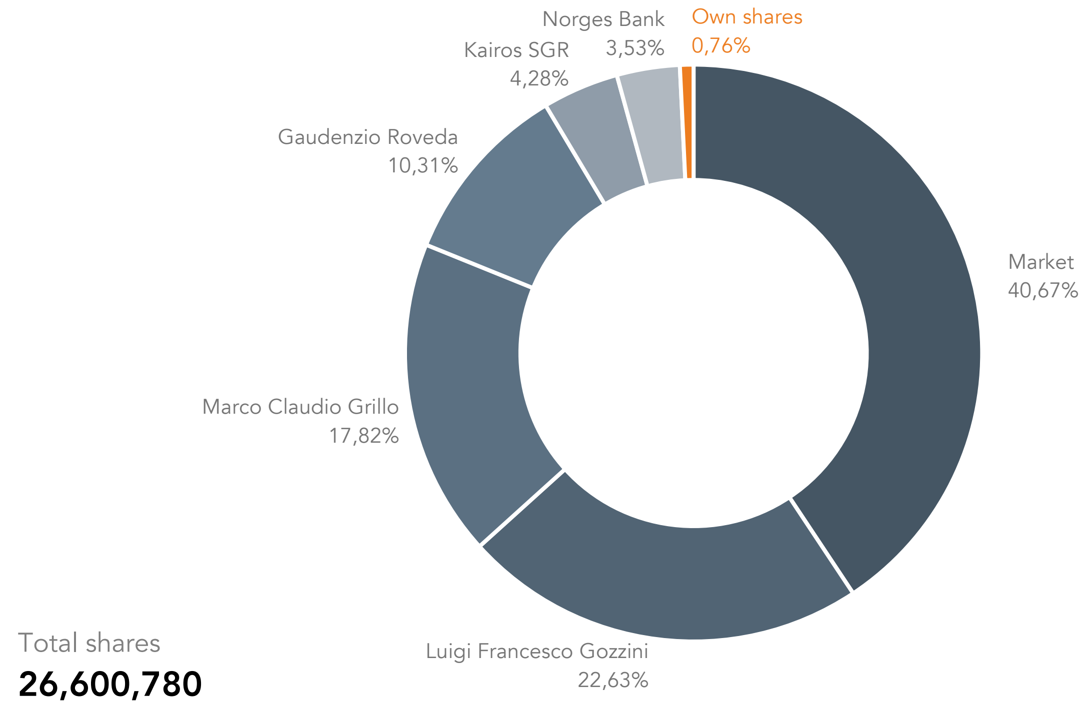
The elevated areas within the courtyard are enriched with plants and trees that also provide shaded zones.

Report on Management

AS AT 30 SEPTEMBER 2023

Shareholding base

As of 13 December 2023, according to the communications made pursuant to Article 120 of Legislative Decree No. 58 of 24 February 1998 - Consolidated Finance Act (TUF), the situation of the relevant shareholders of AbitareIn S.p.A. is as follows:



Stock

AbitareIn S.p.A. is listed on the Italian Stock Exchange in the Star segment. Below is a graph of the share price performance and volumes traded from 1 October 2022 to 30 September 2023.

ABT.BIT share performance (Euro)

Group operating performance
of the year ending 30 September 2023

The main elements of the reclassified consolidated income statement and the reclassified consolidated statement of financial position are presented below.

Reclassified consolidated income

Description *amounts in Euro*	30.09.2023	% on core business revenues	30.09.2022	% on core business revenues
Revenue from the sale of real estate	235,782,923	202.73%	20,649,915	16.90%
Changes in inventory of work in progress and finished products	(143,660,275)	(123.52%)	79,765,416	65.29%
Change in inventory of real estate complexes purchased	7,550,000	6.49%	16,866,000	13.80%
Other revenue	16,630,925	14.30%	4,895,857	4.01%
Total revenue from operating activities	116,303,573	100.00%	122,177,188	100.00%
Production costs	74,796,658	64.31%	101,663,410	83.21%
ADDED VALUE	**41,506,915**	**35.69%**	**20,513,778**	**16.79%**
Personnel expenses	3,558,039	3.06%	2,440,315	2.00%
Other operating expenses	2,967,558	2.55%	1,942,441	1.59%
EBITDA	**34,981,318**	**30.08%**	**16,131,022**	**13.20%**
Depreciation/amortisation. impairment and other provisions	2,335,471	2.01%	1,746,732	1.43%
EBIT	**32,645,847**	**28.07%**	**14,384,290**	**11.77%**
Financial income and expenses and adjustments to financial assets	(7,514,469)	(6.46%)	(3,148,612)	(2.58%)
EBT	**25,131,378**	**21.61%**	**11,235,678**	**9.20%**
Income taxes	(969,879)	(0.83%)	(3,319,440)	(2.72%)
Profit (loss) for the year	**24,161,499**	**20.77%**	**7,916,238**	**6.48%**

The financial year ended 30 September 2023 saw CONSOLIDATED REVENUES of € 116.30 million (€ 112.18 million as of 30 September 2022), derived from the algebraic sum:

(i) € 235.78 million of Revenues from Sales, refers concerning of the deeds of the real estate units (€ 20.64 million as of 30 September 2022) deriving from the deliveries of the Milano City Village project in the amount of € 88.76 million, the Palazzo Naviglio project in the amount of € 30.41 million and Trilogy Towers project in the amount of € 57.00 million. Revenues from Sales also include the conclusion of the operation of via Cadolini (formerly Plasmon) for a total amount of € 58.03 million. The sale of the area took place through the sale of the total shareholding of the company owning the area, in consideration of a value attributed to the asset equal to € 64.5 mln in addition to a variable share of the consideration, for € 7.5 mln, related to the quantification of the municipal charges for the realization of the intervention by the buyer, in the phase of defini-tion and not yet accounted for in the financial statements;

(ii) change in inventories for the purchase of new areas, amounting to € 7.55 million (€ 16.87 million as of 30.09.2022) related to to purchases of areas in the Corvetto and Bisceglie areas;

(iii) € 143.66 million of negative change in inventories due to work progress (€ 79.76 million is attributable to the discharge of inventory due to the delivery (resulting from the deed of sale) of apartments to customers in Milano City Village, Palazzo Naviglio and Trilogy Towers as well as the sale of the area in Via Cadolini.
Production progress amounted to € 70.9 million (€ 96.6 million as at 30.09.2022). Completed the construction works on the sites of Milano City Village, Palazzo Naviglio and Trilogy Towers, while work is proceeding on Porta Naviglio Grande, Palazzo Sintesy and Lambrate Twin Palace and preparatory work on BalduccioDodici, Corte Naviglio and Frigia7;

(iv) other revenues from ordinary operations in the amount of € 16.63 million and mainly include:
- includes increases in property, plant and equipment in progress inherent in investments in real estate intended for lease in the form of co-living in the subsidiaries Deametra Siinq S.r.l. and Smartcity Siinq S.r.l. in the amount of € 14.41 million and € 0.24 million, respectively;
- Operating grant in accordance with Article 14 of Decree Law No. 63/2013 in the head of subsidiary Milano City Village S.r.l. in the amount of € 0.42 million and subsidiary Palazzo Naviglio S.r.l. in the amount of € 0.29 million;
- Other revenues for service to third parties related to pre-and post-sale services in the head of the holding company AbitareIn S.p.A. in the amount of € 0.36 million;

CONSOLIDATED EBT amounted to € 25.13 million (€ 11.24 million as at 30.09.2022), increased sharply compared to the previous year due to the conclusion of the via Cadolini operation and the acceleration of work on the construction sites being delivered.

It should be noted that if the via Cadolini transaction had been concluded in the form of the asset deal, as originally planned, CONSOLIDATED EBT would have been € 34.2 million (EQUIVALENT EBT).

The EBT figure is negatively impacted, by € 2.79 million, by the write-down of the equity investment in Tecma Solutions S.p.A. resulting from the fair value measurement as of the closing date of the six-month reporting period (as at 30 September 2022 it had positively impacted by € 0.34 million).

CONSOLIDATED EARNINGS amounted to € 24.20 million (€ 7.91 million as at 30 September 2022).

Reclassified consolidated statement of financial position

Values are expressed in Euro units.

Investments	30.09.2023	30.09.2022
Intangible assets	2,315,962	1,829,560
Property. plant and equipment	27,525,067	12,095,616
Financial assets	184,544	310,968
Equity investments in other companies	2,022,472	4,715,514
Other non-current assets	2,080,880	2,381,742
Other current assets	28,868,549	24,795,525
Inventory	169,786,314	305,379,872
Other current and non-current liabilities	(84,610,342)	(139,314,565)
NET INVESTED CAPITAL	**148,173,446**	**212,194,232**
Cash and cash equivalents	(28,917,054)	(32,365,487)
Financial receivables	(2,200,000)	-
Financial assets carried at fair value	(15,220,554)	-
Current financial payables	11,105,340	17,915,573
Non-current financial payables	73,751,305	130,636,766
FINANCIAL DEBT	**38,519,037**	**116,186,852**
Share capital	133,004	132,654
Reserves and profit (loss) carried forward	85,231,865	87,982,307
Profit (loss) for the year	24,289,540	7,892,419
EQUITY	**109,654,409**	**96,007,380**
SOURCES OF FINANCING	**148,173,446**	**212,194,232**

The change in intangible fixed assets is mainly due to the increase of € 1.2 million as a result of the registration of the right of use afferent to the lease agreement for the new offices and the reduction of € 0.2 million as a result of the effect of the termination of the contract related to the right of use afferent to the lease of the offices in Viale Umbria, 36. The increase in property, plant and equipment is mainly due to investments in properties intended for lo-cation in the co-living formula by the subsidiary Homizy SIIQ S.p.A for a total value of € 14.6 million.

Investments in other companies decreased by an amount of € 2.8 million resulting from the write-down of the investment in Tecma Solutions S.p.A. to fair value. The reduction in inventories is mainly attributable to the discharges resulting from the deliveries of the real estate units of the Milano City Village, Palazzo Naviglio and Trilogy Towers projects and from the sale of the area located in Milan in Via Cadolini (former Plasmon). The decrease in indebtedness is mainly attributable to the discharges resulting from the receipts from the deeds of apartments related to the construction sites of Milano City Village, Palazzo Naviglio and Trilogy Towers, as well as from the sale of the area in Via Cadolini.

Financial Debt

	Financial Debt 30.09.2023 amounts in Euro	30.09.2023	30.09.2022	Change
A.	Cash and cash equivalents	28,917,054	32,365,487	(3,448,433)
B.	Means equivalent to cash and cash equivalents		-	-
C.	Other current financial assets	17,420,554	-	17,420,554
D.	**Liquidity (A) + (B) + (C)**	**46,337,608**	**32,365,487**	**13,972,121**
E.	Current financial payables	-	-	-
F.	Current portion of non-current debt	11,105,340	17,915,573	(6,810,233)
G.	**Current financial debt (E) + (F)**	**11,105,340**	**17,915,573**	**(6,810,233)**
H.	**Net current financial debt (G) - (D)**	**(35,232,268)**	**(14,449,914)**	**(20,782,354)**
I.	Non-current financial payables	73,751,305	130,636,766	(56,885,461)
J.	Debt instruments	-	-	-
K.	Trade payables and other non-current payables	-	-	-
L.	**Non-current financial debt (I) + (J) + (K)**	**73,751,305**	**130,636,766**	**(56,885,461)**
M.	**Total financial debt (H) + (L)**	**38,519,037**	**116,186,852**	**(77,667,815)**

Financial debt as at 30 September 2023 was € 38.5 million, compared to € 116.2 million as at 30 September 2022. The decrease is mainly attributable to collections from the deeds of the Milan City Village, Palazzo Naviglio and Trlogy Towers properties in the amount of € 124.3 million, from the conclusion of the via Cado-lini transaction in the amount of € 46 million, net of the deposit of € 11 million already collected in the previous year, and from the deposits and down payments collected related to the preliminaries of the com-mercialized projects, totaling € 14.7 million, against the progress of construction sites, with total investments of € 93.4 million and the purchases of new areas for € 13.9 million (net of down payments made in previous years).

The trend in cash and cash equivalents is mainly attributable to cash generation from operating activities in the amount of € 94.9 million, from the taking out of loans in the amount of € 37.1 million, from the repayment of loans in the amount of € 101.4 million, and from investments in real estate and current financial assets in the amount of € 13.9 million and € 17.4 respectively as shown in the statement of cash flows.

Description of the main risks and uncertainties to which the Group is exposed

In the pursuit of its business activity, the Group is exposed to risks and uncertainties, caused by external factors linked to the macroeconomic scenario at overall level and specific to its own sector, and to risks linked to management choices and the strategies adopted.

These risks are identified and mitigated on a systematic basis so as to allow the timely monitoring and control of such risks.

Risks related to the spread of epidemics

The spread of epidemics can significantly impact the operations and results of the Group and the entire market in which it operates. The spread of contagious diseases is beyond the Group's control, and therefore, there is no guarantee that the Group will be able to counteract their effects or their impact on its operations and results in the future. Referring to the epidemic related to the spread of COVID-19, the Group was exposed, between February and May 2020, to restrictive measures such as the temporary closure of construction sites commissioned by the Group. The Group also faces future risks arising from the adoption by public authorities of additional and new measures aimed at preventing and/or limiting the spread of Coronavirus and the operational and economic consequences resulting from the adoption of such measures.

The occurrence of events subject to these risks could have significant negative effects on the Group's economic, financial, and asset situation. Due to the rapid spread of the Coronavirus, the Italian Government has adopted and may adopt in the future restrictive measures aimed at containing the further spread of the pandemic. The most significant of these measures have involved restrictions and controls on people's movements, bans on gatherings, and the closure of production facilities, offices, as well as construction sites.

An epidemiological situation could also have serious economic, asset, and financial effects on the contractors identified by AbitareIn for the execution of various Real Estate Initiatives. If contractors, due to economic distress situations, were no longer able to meet their commitments, deadlines, economic conditions, and agreed-upon modalities with AbitareIn, or if they were subjected to insolvency proceedings or bankruptcy, AbitareIn would be in the position of having to replace them with other parties, leading to longer completion times and higher costs in completing ongoing real estate initiatives.

As of the date of this report, it is not possible to exclude the possibility of new waves of COVID-19 infections compelling government authorities to reimpose restrictive measures to contain the further spread of the virus. Therefore, it is not possible to foresee the additional negative effects that the prolonged pandemic will determine, not only on the Group's activities but also on financial markets and domestic economic activities.

Risks related to the development of the Russian-Ukrainian conflict

The evolution of the Russian-Ukrainian crisis may have a negative impact on the Group's operations and results, mainly due to the increase in energy and raw material costs and difficulties in the procurement of materials.

In fact, the conflict hashad consequences both in terms of economic sanctions applied to Russia, and in terms of price increases, particularly in the energy, production and logistics sectors, which also had repercussions in terms of increased interest rates and which, in general, are causing an economic situation of significant uncertainty.

The Group has no direct exposure and/or business activities to the markets affected by the conflict and/or sanctioned entities. On the other hand, it may be affected both by the increase in energy costs (and raw materials in general), which are constantly monitored in order to minimise their impact, and by uncertainties concerning the timing of supplies.

Risks Related to the Company and Group's Business

The Company's and the Group's results could be negatively affected by possible delays in the completion of projects caused mainly by the not always certain timing for the issue of authorisations and permits by the Public Administration. Moreover, considering the fact that the execution of the works is entrusted to third party companies, the projects may be affected by unbudgeted costs attributable to exogenous factors not foreseen at an early stage of the works.

Risks connected to the Group's financial debt

The Group’s business is, as a whole, a capital-intensive activity which, during the initial phases of a real estate project requires the Group to commit all the financial resources necessary for its development, and which, except for the advances paid, with the preliminary purchase contracts, by customers that, on average, represent 30% of the purchase price of the real estate unit, leads to the collection of the residual amounts from buyers, only at the end of the entire construction and marketing process of the real estate project.

The Group's financial indebtedness generally derives, therefore, from obtaining real estate mortgage loans granted in instalments based on work progress reports (which are guaranteed by mortgages on the properties themselves), from the collection of the sums received from promissory buyers as a deposit and advance on the purchase price (based on the provisions of the preliminary purchase and sale contracts) and from the payment terms negotiated with the Group's suppliers.

It should be noted that some of the agreements relating to the financial debt of the Company and Group include, among other things, financial covenants, compliance with change of control clauses and/or other provisions that involve limits on the use of resources or the distribution of dividends by the contracting parties (in particular in contracts signed by the operating special purpose vehicles).

Some loan agreements entered into by the Issuer or other Group companies include Internal Cross-Default clauses according to which in the event of non-fulfilment of credit, financial and guarantee obligations, or activation of the acceleration clause, termination or withdrawal due to an act attributable exclusively to the contracting beneficiary in relation to any loan agreement entered into, the bank has the right to withdraw or terminate the loan agreement.

Failure to comply with any of the provisions or restrictions provided for in the Group's loan agreements could therefore result in an event of default resulting in the lender's right to declare, in relation to the financed company, all amounts lent as immediately due and payable (together with accrued and unpaid interest) and to revoke any commitments to grant further loans, with consequent substantial negative effects on the Group's business, financial position and results of operations or prospects.

The Group's ability to meet its debt depends on operating results and the ability to generate sufficient liquidity, factors that may depend on circumstances that may not be foreseeable by the Group. Should these circumstances occur, the Group may be in a position, in the future, of not being able to meet its debt, or carry out the investments undertaken, with possible negative effects on the financial position, earnings and cash flows of the Issuer and the Group.

Below are details of medium- and long-term loan liabilities:

Loan type (Euro/000)	Borrower company	Within one year	Beyond one year and within 5 years	Beyond 5 years	Total payable
Mortgage loan	AbitareIn Development 3 S.r.l.	165	976	913	2,054
Landed property loan	AbitareIn Development 3 S.r.l.	108	636	601	1,345
Unsecured loan	AbitareIn Development 4 S.r.l.	955	4,916	-	5,871
Landed property loan	AbitareIn Development 5 S.r.l.	71	2,929	1,234	4,234
Loan	AbitareIn S.p.A.	115	-	-	115
Loan	AbitareIn S.p.A.	1,310	1,316	-	2,626
Loan	AbitareIn S.p.A.	2,875	1,117	-	3,992
Loan	AbitareIn S.p.A.	253	1,167	-	1,420
Loan	AbitareIn S.p.A.	266	2,384	-	2,650
Loan	AbitareIn S.p.A.	1,003	1,518	-	2,521
Loan	AbitareIn S.p.A.	612	1,788	-	2,400
Loan	AbitareIn S.p.A.	503	4,492	-	4,995
Landed property loan	Accursio S.r.l.	61	6,750	3,379	10,190
Unsecured loan	Citynow S.r.l.	367	1,426	-	1,793
Loan	Deametra Siinq S.r.l.	-	5,988	-	5,988
Landed property loan	Lambrate Twin Palace S.r.l.	50	527	2,719	3,296
Unsecured loan	Mivivi S.r.l.	316	4,661	-	4,977
Landed property loan	Palazzo Naviglio S.r.l.	94	455	559	1,108
Landed property loan	Porta Naviglio Grande S.r.l	63	4,590	-	4,653
Landed property loan	Savona 105 S.r.l.	790	7,720	2,473	10,983
Landed property loan	TheUnits S.r.l.	28	155	301	484
Landed property loan	Trilogy Towers S.r.l.	130	597	-	727
Unsecured loan	Volaplana S.r.l.	672	4,346	-	5,018
TOTAL		**10,807**	**60,454**	**12,179**	**83,440**

It should be noted that mortgage loans granted by credit institutions amount to a total of Euro 163 million, of which Euro 37 million have been utilised.

In addition, financial debt includes other financial debt amounting to Euro 1.4 million referring to the multi-year right of use of the office building located in Viale Umbria, 36 in the amount of Euro 941 thousand, from the financial debt to the leasing company aimed at the purchase of the building located in Via Amadeo, 57 in the amount of Euro 391 thousand, from the financial debt related to the multi-year right of use of the building in use by the Chairman of the Board of Directors in the amount of Euro 57 thousand, and from the financial debt for the leasback lease contract, related to office machines, signed with BNL in the amount of Euro 27 thousand.

Risks connected to the Group's operations

The AbitareIn Format, which includes the search for building plots, verifying, managing and obtaining the necessary permits, the purchase and sale of the site, the design phase of the properties to be built, as well as the subsequent marketing and sale phase of the housing units, is spread over a medium/long term period (not less than 4 years). In consideration of the configuration of this business model, it is possible that, at the end of the accounting period of any given year, none of the operating special purpose vehicles, prepared according to the national accounting standards issued by the Italian Accounting Body (OIC), achieve revenues deriving from the sale of properties and therefore there are no distributable profits in favour of the parent company.

In light of the above, it is therefore possible that the forecasts regarding profitability and/or implementation times are not in line with the timing and objectives envisaged by the Company, with a negative impact on the Group's business and damage to the Group's financial position, earnings and cash flows.

Risks related to real estate market trends

The real estate market has a cyclical trend and is affected by a number of variables, such as the general state of the economy, interest rate changes, inflation trends, tax regulations and liquidity in the market.

In the euro area, output growth continues at a moderate but gradually consolidating pace, driven by domestic demand components. Uncertainty about developments in the world economy, partly conditioned by geopolitical tensions, is the greatest risk factor for economic activity.

Liquidity risk

Liquidity risk refers to the failure to obtain adequate financial means necessary for the company's operations, as well as for the development of operating activities.

The two main factors that determine the liquidity situation are, on the one hand, the resources generated or absorbed by operating and investment activities, and on the other, the maturity and renewal characteristics of the debt or liquidity of financial investments and market conditions.

The financial resources that the Group has obtained through listing on the Euronext Growth Milan market (formerly AIM Italia/ Mercato Alternativo del Capitale) and subsequently on the Euronext STAR Milan market, together with those generated by corporate activity, especially of the investee companies, may not be able to guarantee the exact execution of corporate operations and the implementation of planned investments.

Credit risk

Credit risk is the exposure to potential losses arising from a trade counterparty defaulting on its obligations.

The credit risk is marginal in the Group's main sector.

Market risk

Like any company in any sector, the companies of the AbitareIn Group face the challenge of competition in their market, which might cause their market share, and consequently their turnover, to fall.

For this reason, the management of AbitareIn S.p.a., and of each investee company, is committed to seeking and identifying investment opportunities and implementing increasingly advanced marketing and professional development initiatives that can help the Group grow and become one of the leading players in its market.

Risks linked to obtaining administrative permits

The construction of properties on sites (better, on the areas where the buildings to be demolished and rebuilt are located) acquired by the individual operating special purpose vehicles is subject to obtaining and retaining the relevant administrative permits.

In this context, although the sites selected by AbitareIn are all in built-up areas where buildings have been completed in full compliance with authorisations issued previously, there is a structural risk of delays in the

Public Administration's issuance of the appropriate authorisations to build real estate complexes (building permission, land rehabilitation certificates, landscape protection opinion...).

To reduce this risk, the Company requires, market conditions permitting, that the purchase of the sites is subject to obtaining the required building permission or at least a prior opinion. In the current scenario of increased competition and continuous rises in the prices of sites, most purchases occur before such permissions are obtained.

Given that delays have become almost systematic in the whole of the real estate sector, especially in the residential segment, the Company takes this into account in the early stages of planning in order to minimise the associated impacts as far as possible:

- Delays up to 6/9 months (depending on the project): these are considered in the budget and in the planning process, as well as in contractual obligations towards customers. No review of the project's business plan is necessary.
- Delays between 6/9 months and 18 months: these inevitably produce a slight increase in financial expenses and overheads, but to a negligible extent. If the delay becomes known after the real estate units have been marketed, there will also be an increase in costs due to contractual penalties payable to customers, which on average amount to 5% per year on the down payments and deposits paid, with a 0.12% per month impact on revenue. There is also the risk that the customer may take action to terminate the contract. Although no contract has been terminated to date, the situation would be manageable considering the systematic overbooking of the projects and the possibility to quickly replace the buyer (increasing also the purchase price).

However, such delays do have an impact on relationships with customers and on the Company's reputation. To reduce this impact, AbitareIn has invested in creating an efficient and permanent Customer Care structure and in a CRM platform (Salesforce) in order to quickly deal with any issues that may arise.

Moreover, in terms of economic planning, AbitareIn is able to manage the different timing of the authorisation procedures thanks to the size of its pipeline: 23 different projects, the start of which can be opportunistically and dynamically postponed or brought forward to accommodate new requirements.

Again with reference to obtaining authorisations, the following risks are highlighted:

- Risk of changes to the layout of the floor areas and morphological restrictions affecting the real estate complex being built, which may reduce the project's commercial appeal and, consequently, the profit margin;
- For projects that involve a change in use or in the case of amendments to the town planning regulations, the risk of having to change, and even reduce, the surface area that is convertible into residential floor area. However, the current situation is actually the opposite, with regulations allowing the benefit of volume increases for residential pro-jects, up to 20% for certain types of property (Lombardy Regional Law No. 18/2019).

In conclusion, it should be noted that the Company has invested heavily in managing in-house those core resources and functions that deal with studying and selecting the best opportunities (both from an eco-nomic viewpoint and in terms of the associated authorisation process).

Risks linked to the construction of real estate complexes

AbitareIn does not build the real estate developments directly. Construction work is contracted out to outside construction firms that are not part of its structure.

Works are entrusted, under contracts, to reliable operators of primary standing which are already active in the Milanese market. To minimise the associated construction risks, the contracts provide for a number of safeguards to protect the contracting entity, including significant penalties for delays in the works, payments deferred up to 120 days, bank guarantees and 10% withholdings to guarantee the proper performance of the works, released after 6 to 24 months.

In addition, property construction (especially residential property) represents a commodity in the market and operators can therefore be easily replaced in the case of need. Moreover, thanks to the extensive use of technology by AbitareIn in all stages of the project, from the design to the construction of the properties, and thanks above all to the use and implementation of the BIM (Building Information Modeling) system, the Company is able to verify the progress of works at each site at any given time and promptly manage any problems that may arise.

Furthermore, with a view to strengthening the entire production process and reducing implementation timing and costs, also improving the quality and versatility of the AbitareIn product, the Company is implementing an ambitious long-term project aimed at consolidating relations with construction firms, as well as with all other key suppliers of strategic importance, by signing long-term commercial agreements with them.

The key elements of these agreements include:

- Supply volumes,
- Continuity,
- Common language, in terms of technology platforms,
- Standardisation of technical solutions,
- Joint development of new products,
- Payment quality: guaranteed payments within appropriate time frames.

To date, framework agreements have been entered into with several strategic partners such as Impresa Percassi, Sciuker Frames, Corazzin, Marazzi, Porcelanosa, Florim, Zucchetti, Ideal Standard, Samsung, Bticino.

Main activities and events **during the period of the Group and result for the year of AbitareIn S.p.A.**

During the reference period, the Group completed activities for the realization and initiated the deliveries and notarizations of the apartments in the Milano City Village, Palazzo Naviglio, and Trilogy Towers projects, which as of September 30, 2023, amount to:

- €88.0 million in revenue for Milano City Village,
- €30.2 million in revenue for Palazzo Naviglio,
- €56.5 million in revenue for Trilogy Towers.

Construction works for Porta Naviglio Grande continued, and contracts were awarded for the realization of the Lambrate Twin Palace and The Units projects. Additionally, preparatory works continued for the Cadolini Ex-Plasmon project (sold on March 31, 2023), Balduccio Dodici, Frigia 7, Palazzo Sintesy, and Corte Naviglio.

On December 29, 2022, a company controlled by Homizy SIIQ S.p.A. signed the definitive contract for the purchase of a real estate complex located in via Tucidide, Milan, for a total consideration of €12.5 million. Regarding Homizy Group's activities, in March, the reclamation on the via Bistofi area was initiated and has since been completed.

On March 31, 2023, AbitareIn signed the definitive agreement for the sale of the operation in via Cadolini, structured as a share deal, through the transfer of the total participation in the vehicle company that owns the area.

In May, AbitareIn announced the initiation of a collaboration with Techbau S.p.A., with the first step being the joint development of a residential project comprising approximately 70 apartments in Rome. AbitareIn will provide its model and technological platform for optimizing the product, floor plans, communication activities, strategic positioning, go-to-market, and customer care.

It is noted that on June 28, 2023, an apartment in the Trilogy Towers project, not yet delivered to the final customer, was affected by a fire that occurred on the balcony, where furniture installation operations were ongoing by the appointed company. The incident was promptly extinguished by the Fire Department, with no injuries or intoxication reported, and the flames did not spread to other properties. Currently, no impacts on the Group's financial and asset situation are evident.

On July 14, 2023, AbitareIn's shareholders' meeting convened and resolved to grant the Board of Directors the authority to initiate a share buyback program and distribute a dividend of €0.376 per share, totaling €10 million, drawn from the "Retained Earnings" reserve stated in the Company's balance sheet as of September 30, 2022.

The Company promptly initiated a significant buyback plan, resulting in the purchase of 202,326 of its own shares, representing 0.7% of the share capital as of September 30, 2023. As of the current date, the majority of the three recently completed projects, Milano City Village, Palazzo Naviglio, and Trilogy Towers, have been delivered to customers.

Reclassified statement of financial position of AbitareIn S.p.A.

Investments **Amounts in Euro units**	**30.09.2023**	**30.09.2022**
Intangible assets	2,696,514	2,447,176
Property, plant and equipment	1,931,644	1,567,180
Equity investments in subsidiaries	7,455,952	6,874,658
Equity investments in other companies	2,022,472	4,715,514
Non-current financial assets	46,705,640	44,111,935
Financial assets	116,172	290,098
Other current assets	32,858,808	24,576,439
Other current and non-current liabilities	(30,496,746)	(14,008,408)
NET INVESTED CAPITAL	**63,290,456**	**70,574,592**
Cash and cash equivalents	(15,044,042)	(4,926,191)
Financial receivables	(7,717,667)	(13,470,546)
Financial assets carried at fair value	(15,220,554)	-
Current financial payables	8,721,432	14,320,590
Non-current financial payables	15,269,844	12,875,498
FINANCIAL DEBT	**(13,990,987)**	**8,799,351**
Share capital	133,004	132,654
Reserves and profit (loss) carried forward	51,180,082	53,950,290
Profit (loss) for the year	25,968,357	7,692,297
EQUITY	**77,281,443**	**61,775,241**
SOURCES OF FINANCING	**63,290,456**	**70,574,592**

The change in intangible fixed assets is mainly due to an increase of € 1.2 million due to the recognition of the right of use afferent to the lease agreement for the new offices and a decrease of € 0.2 million due to the termination of the contract related to the right of use afferent to the lease of the offices in Viale Umbria, 36. The change in property, plant and equipment is mainly due to an increase of € 0.4 million related to the purchase of works of art that will be put on loan for use in various real estate projects. Equity investments in other companies decreased by € 2.8 million resulting from the write-down of the investment in Tecma Solutions S.p.A. to fair value. The change in investments in subsidiaries is mainly due to the total sale of the investment in Milano Progetti S.r.l. Financial assets recorded at fair value consist of asset management in government securities and bonds.

Result for the year of AbitareIn S.p.A.

Description *amounts in units of Euro*	30.09.2023	% on core business revenues	30.09.2022	% on core business revenues
Revenues for services	16,245,657	94.08%	9,225,776	93.72%
Other revenue	1,021,710	5.92%	618,184	6.28%
Total revenue from operating activities	17,267,367	100.00%	9,843,960	100.00%
Production costs	7,298,144	42.27%	6,416,235	65.18%
ADDED VALUE	**9,969,223**	**57.73%**	**3,427,725**	**34.82%**
Personnel expenses	3,150,671	18.25%	2,352,629	23.90%
Other operating expenses	391,851	2.27%	351,989	3.58%
EBITDA	**6,426,701**	**37.22%**	**723,107**	**7.35%**
Depreciation/amortisation. impairment and other provisions	1,515,644	8.78%	1,912,088	19.42%
EBIT	**4,911,057**	**28.44%**	**(1,188,981)**	**(12.08%)**
Financial income and expenses and adjustments to financial assets	24,180,266	140.03%	9,032,262	91.75%
EBT	**29,091,323**	**168.48%**	**7,843,281**	**79.68%**
Income taxes	(3,122,966)	(18.09%)	(150,984)	(1.53%)
Profit (loss) for the year	**25,968,357**	**150.39%**	**7,692,297**	**78.14%**

The Company's annual financial statements closed with a positive operating income of € 4.9 million compared to a negative operating re-sult in the previous year of € 1.2 million. It should be noted that the operating income includes costs related to the stock grant plan of € 0.6 million (€ 1.7 million as at 30 September 2022). The ebt is positive and amounted to € 29.1 million (€ 7.8 million as at 30 September 2022).

This result is mainly attributable to the capital gain realized from the total sale of the shareholding in the company Milano Progetti S.r.l. in the amount of € 23.4 million and from the recognition of the dividend distributed by the subsidiary AbitareIn Development 7 S.r.l. in the amount of € 0.6 million, as well as from the positive result of operations. Net income amounted to € 25.9 million (€ 7.7 million as at 30 September 2022).

	Financial debt 30.09.2023 values in units of Euros	30.09.2023	30.09.2022	Change
A.	Cash and cash equivalents	15,044,042	4,926,191	10,117,851
B.	Means equivalent to cash and cash equivalents	-	-	-
C.	Other current financial assets	22,938,221	13,470,546	9,467,675
D.	**Liquidity (A)+(B)+(C)**	**37,982,263**	**18,396,737**	**19,585,526**
E.	Current financial payables	-	-	-
F.	Curernt position of non-current debt	8,721,433	14,320,590	(5,599,157)
G.	**Current financial debt (E)+(F)**	**8,721,433**	**14,320,590**	**(5,599,157)**
H.	**Net current financial debt (G)-(D)**	**(29,260,830)**	**(4,076,147)**	**(25,184,683)**
I.	Non-current financial payables	15,269,843	12,875,498	2,394,345
J.	Debt instruments	-	-	-
K.	Trade payables and other non-current payables	-	-	-
L.	**Non-current financial debt (I)+(J)+(K)**	**15,269,843**	**12,875,498**	**2,394,345**
M.	**Total financial debt (H)+(L)**	**(13,990,987)**	**8,799,351**	**(22,790,338)**

Net financial debt as at 30 September 2023 showed a negative balance of € 13.9 million compared to a positive balance of € 8.8 million as at 30 September 2022. Net financial debt improved mainly due to the cash generated from the sale of the investment in Milano Progetti S.r.l.

For the income statement, statement of financial position and net financial position, please see the annual financial statements.

Events after 30 September 2023

Following the end of the reference period, the Group continued its operational activities on the pipeline areas, both on those with ongoing construction activities and those in less advanced stages. The preparatory development activity for real estate construction is an ongoing effort for the Group, which holds a pipeline of 198 areas in various stages.

In November, the contract for the construction of the Balduccio Dodici project was awarded, and construction works were initiated.

Additionally, in November, the Company announced the expansion of its business model by providing services to third-party developers. The first project of this kind originates from a collaboration with Techbau S.p.A., a leader in the engineering and construction sector and a primary developer and general contractor in the private sector nationwide. They have recently initiated a new residential development project in Milan named "Corte dei Principi."

AbitareIn has provided its technological platform and expertise for marketing and communication activities, product optimization, floor plan development, apartment customization, and customer care within this collaboration.

On 24 November 2023, a preliminary contract was signed for the sale of the Total Equity Interest in City Zeden S.r.l. and the shareholder loan provided to it, all for a total consideration of 2.1 million. The value of the shareholding and the loan was aligned with the consideration provided in the transaction. The company is the promissory purchaser of a property located in Milan, via Comune Antico.

Foreseeable development of management

During the current fiscal year, AbitareIn will continue its development activities, both by advancing ongoing construction projects and initiating new ones. It will also focus on obtaining the necessary regulatory permits while consistently scouting for new areas, aiming to strengthen its leading position in the city of Milan.

The Group will remain active in project marketing using the strategy of "micro-campaigns" and will additionally engage in supplying its services to third-party operators.

Intragroup and related-party transactions

As required by the Consob Issuers' Regulation, the company has adopted a 'Procedure for Transactions with Related Parties', see www.abitareinspa.com section 'Investor' for further information. The transactions carried out by AbitareIn and the companies included in the consolidation area with other related parties are part of ordinary operations and are regulated at market conditions. Information on related party transactions, including those required by the CONSOB Communication of 28 July 2006, is presented in Note 24 to the consolidated financial statements as at 30 September 2022.

Research and development activities

During the year, work continued on the development and integration of the AbitareIn corporate E-Commerce platform, fully integrated with all corporate processes, aimed at the sale of houses on-line and the development and integration of an on-line appartment configurator. These costs mainly relate to costs for services rendered by third parties. The development costs incurred by the Group relate to projects that meet the requirements of IAS 38.

The total investment incurred in the reporting period amounted to Euro 275 thousand.

Overview of the main existing litigations

The Company, based on the opinions of legal advisors, has not allocated specific risk provisions in the balance sheet to cover any liabilities arising from the proceedings described below.

Italian Revenue Agency request

For contracts for consideration transferring or constituting rights in rem, the taxable base on which to measure the registration tax due is the "value of the property or right at the date of the deed" (Art. 43 of Presidential Decree 131/86); as value, pursuant to Art. 51 paragraph 1 of Presidential Decree 131/86 "the value, subject to the provisions of the following paragraphs, is that declared by the parties in the deed and, in the absence thereof or if higher, the consideration agreed upon for the entire duration of the contract"; Article 51 paragraph 2 of Presidential Decree 131/86 specifies that, "for deeds having as their object immovable property or rights in rem in immovable property and for those having as their object businesses or rights in rem over them, the value is understood to be the market value. This implies that at the time of registration of the deed, in the absence of separate indication of the value of the property and the agreed consideration, the tax is paid on the latter. Subsequently, the Revenue Agency, in the manner provided for by Article 51, paragraph 4, verifies that the consideration indicated in the deed actually reflects the market value in common trade of the complex asset transferred.

On 30 January 2019, Milano City Village received a request (questionnaire no. Q00022/2019) from the Agenzia delle Entrate to provide supplementary documentation with reference to the deed of sale of the real estate complex located in Milan, via Tacito no. 14, in order to verify that the consideration indicated in the deed actually reflects the market value in common trade of the complex asset transferred. The Company therefore provided the tax authority with the requested documentation.

Subsequently, on 24 September 2020, Milano City Village received (as part of the same proceeding established following the receipt of the aforementioned questionnaire) from the Agenzia delle Entrate an invitation to cross-examination No. I00052/2020; following the receipt of such invitation, the cross-examination with the Tax Authority was duly initiated. On 6 November 2020, following the meeting held on 20 October 2020, the Company sent to the Taxation Body an expert's report on the characteristics of the reclamation and environmental clean-up work carried out on the area in question in order to corroborate the correctness of the purchase price of the same area. On 11 February 2022, Milano City Village filed a petition for assessment with adhesion. During the discussion held with the tax authority on 4 May 2022, the amount of the higher taxes, interest and penalties was defined for a total amount of Euro 137 thousand. The amount agreed in the aforementioned deed of adhesion was recognised in the annual financial report as of 30 September 2022.

Procedure with the Municipality of Milan

By notices of assessment notified to AbitareIn Maggiolina, on 6 November 2020, the Municipality of Milan ascertained a higher Municipal Property Tax (IMU) for the years 2016, 2017 and 2018, respectively amounting to Euro 59,389.54, Euro 2,620.19 and Euro 2,620, plus penalties and interest, for a total amount of Euro 86,125.16.

The notices of assessment arise from the failure of the Municipality of Milan to acknowledge the cadastral changes and values communicated by the company in relation to the building area located in Milan, Via Angelo Fava no. 20.

In the event of losing such dispute, AbitareIn Maggiolina could be obliged to pay an amount of approximately Euro 86,125.00. The Issuer considers the payment of such amount as a remote charge.

Other information

Adoption of the legislative simplification process adopted with CONSOB Resolution No. 18079 of 20 January 2012

On 10 December 2020, the Board of Directors of AbitareIn S.p.A. resolved to adhere to the simplification regime provided for by Articles 70, paragraph 8, and 71, paragraph 1- bis, of the Regulation adopted by CONSOB with resolution no. 11971 of 14 May 1999 and subsequent amendments and additions, thereby availing itself of the right to waive the obligations to publish the disclosure documents provided for in Annex 3B of the aforementioned CONSOB Regulation in the event of significant mergers, spin-offs, capital increases through the contribution of assets in kind, acquisitions and disposals.

Own shares

On 14 July 2023, the shareholders' meeting of AbitareIn S.p.A. met and resolved to grant the Board of Directors the powers to initiate a share buyback program. The total number of treasury shares in portfolio as at 30 September 2023 is 202,326 shares with a total value of € 1,115,515.

Report on Corporate Governance and Ownership Structures 2023

PURSUANT TO ARTICLE 123-BIS OF THE CONSOLIDATED LAW ON FINANCE

Traditional management and control model

Issuer Name: AbitareIn S.p.A.

Website: www.abitareinspa.com

Report Reference Year: 2023

Report Approval Date: Board of Directors on December 13, 2023

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Glossary

Shareholders' Meeting:	this means the Company's Shareholders' meeting.
Borsa Italiana:	this means Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari 6
Chief Financial Officer	This means Mr. Cristiano Contini
Corporate Governance Code or CG Code:	this means the Corporate Governance Code for listed companies adopted on 31 January 2020 by the Corporate Governance Committee.
Civil Code:	this means the Italian Civil Code.
CG Committee/Corporate Governance Committee	This means the Italian Committee for Corporate Governance of Listed Companies is promoted not only by Borsa Italiana but also by ABI (Italian Banking Association), Ania (Italian Insurance Association), Assogestioni (Italian Investment Management Association), Assonime (Italian Association of Joint Stock Companies), and Confindustria (General Confederation of Italian Industry).
Control risk and sustainability Committeee	this means the control risk committee provided by the Corporate Governance Code
Remuneration Committee:	this means the remuneration committee provided for by the Corporate Governance Code.
Appointments Committee:	this means the appointments committee provided for by the Corporate Governance Code.
Board/Board of Directors:	this means the Board of Directors of the Issuer.
Consob:	this means the Commissione Nazionale per le Società e la Borsa (Italian Companies' and Stock Exchange Authority), with registered office in Rome, Via G.B. Martini no. 3.
Board of Statutory Auditors:	this means the Board of Statutory Auditors of the Issuer.
Date of the Report:	this means 13 December 2023, the date on which the Report was approved by the Board.
Decree 231:	this means Italian Legislative Decree no. 231 of 8 June 2001.
Issuer or Company or AbitareIn:	this means AbitareIn S.p.A. with registered office in Milan, Via degli Olivetani 10/12.
Financial Year/Year:	means the company financial year ended on 30 September 2023 which the Report refers to.
Current Fiscal Year	This means the financial year that will end on September 30, 2024
Euronext Milan:	this means the Euronext Milan market (formerly Mercato Telematico Azionario), organised and managed by Borsa Italiana.
Euronext STAR Milan	this means the Euronext STAR Milan segment of the Euronext Milan market.
Group or AbitareIn Group:	this means, collectively, the Issuer and its subsidiaries as at the Date of the Report pursuant to Article 2359 of the Civil Code.
Instructions to the Stock Exchange Regulations:	this means the Instructions to the Regulations of the Markets organised and managed by Borsa Italiana, in force at the Date of the Report.
Majority List:	has the meaning referred to in paragraph 4.2 of this Report.

Majority list for the Board of Statutory Auditors:	has the meaning referred to in paragraph 11.1 of this Report.
Minority List:	has the meaning referred to in paragraph 4.2 of this Report.
231 Model:	this means the organisational, management and control model referred to in paragraph 9.4 of this Report.
Supervisory Body	has the meaning referred to in paragraph 9.4 of this Report
Chairman of the Board of Directors	This means the chairman of AbitareIn's board of directors
Related-Party Transaction Procedure:	has the meaning referred to in paragraph 1.0 of this Report.
Stock Exchange Regulations:	this means the Regulations of the Markets organised and managed by Borsa Italiana, in force at the Date of the Report.
Consob Issuers' Regulation:	this means the Regulation issued by Consob with resolution no. 11971 of 1999 (as amended and supplemented) concerning issuers, in force at the Date of the Report.
Consob Markets' Regulation:	this means the Regulation issued by Consob with resolution no. 16191 of 2007 (as amended and supplemented) concerning markets, in force at the Date of the Report.
Related Parties' Regulation:	this means the Regulation issued by Consob with resolution no. 17221 of 2010 (as amended and supplemented) concerning related party transactions, in force at the Date of the Report.
Prospectus Regulation:	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market.
Report:	this means this report on corporate governance and ownership structures that companies are required to prepare pursuant to Art. 123-bis of the Consolidated Law on Finance.
Remuneration Report:	the report on remuneration policy and compensation paid, which companies are required to prepare and publish pursuant to Article 123-ter TUF and 84-quater Consob Issuers' Regulations.
Head of the Internal Audit Function	It means Mr. Cesare Mileto
ICRMS	It means the internal control and risk management system of the Company
Minority Statutory Auditor:	has the meaning referred to in paragraph 11.1 of this Report.
Minority Substitute Statutory Auditor:	has the meaning referred to in paragraph 11.1 of this Report.
Articles of Association or By-laws:	this means the Articles of Association of the Issuer in force at the Date of the Report.
Consolidated Law on Finance or Consolidated Law:	this means Legislative Decree no. 58 of 24 February 1998 (as amended and supplemented), in force at the Date of the Report.

Where not otherwise specified, the CG Code's definitions of: directors, executive directors, independent directors, significant shareholder, chief executive officer (CEO), board of directors, control body, business plan, concentrated ownership company, large company, sustainable success, top management are to be understood as referring by reference.

Report on Corporate Governance and Ownership Structure 2023

Introduction

This Report, approved by the Company's Board of Directors on 13 December 2023, aims to illustrate the corporate governance system adopted by AbitareIn and divided into a series of principles, rules and procedures in line with the criteria contained in the Corporate Governance Code, which the Company resolved to adopt on 13 January 2021, with the additions and adjustments resulting from the characteristics of the Company indicated in this Report.

1. Issuer's profile

Profile

Established in 2015, AbitareIn specialises in implementing, through wholly owned special purpose vehicles, urban redevelopment projects involving the purchase of disused or abandoned properties, their demolition and the building of new residential complexes and, finally, their marketing. The Issuer mainly addresses families and individuals already resident in the area where the building project is being implemented, focusing its development activities, in particular, on the semi-central areas of the city of Milan.

From being originally listed in 2016 on the AIM Italia market (now Euronext Growth Milan) of Borsa Italiana, the Company moved in March 2021 to its current listing on the Euronext Milan market (formerly Mercato Telematico Azionario) of Borsa Italiana as a Euronext STAR Milan issuer.

The Group pursues a sustainable development model, contributing, as a priority objective, to the economic growth of the context in which it operates, but also to improving the quality of the surrounding environment, from an environmental and social point of view.

To this end, the Group has adopted principles of sustainability, transparency and quality in the conduct of its business, including by making concrete commitments to people, the territory and the environment, adopting an integrated management system that enables it to comply with applicable requirements and achieve the best results in the sector.

The Issuer also actively pursues the sustainability of its business activities and, to this end, publishes an annual sustainability report.

Corporate Governance System

The corporate governance structure adopted by the Company is based on the traditional administrative and control model and consists of the following corporate bodies:

a) The Shareholders' Meeting competent to deliberate in ordinary and extraordinary sessions on matters reserved by law or by the Articles of Association;
b) The Board of Directors, holding all powers for ordinary and extraordinary administration, except those indispensably provided by law and the Articles of Association;

c) The Board of Statutory Auditors responsible for supervising compliance with the law and the Articles of Association, ensuring the observance of principles of proper administration, particularly focusing on the adequacy of the organizational, administrative, and accounting framework adopted by the Company and its effective functioning.

The legal audit of the accounts is entrusted, in compliance with current regulatory provisions, to an auditing firm registered in the special register held by Consob.

Furthermore, a Surveillance Body has been appointed in accordance with Legislative Decree 231/2001, overseeing the proper functioning of the Company's Model 231 and ensuring its updating. On December 28, 2016, the Company, by resolution of the Board of Directors, also adopted an ethical code shared by all companies within the AbitareIn Group, constituting an integral part of Model 231 (the "Ethical Code").

Internally, the Board of Directors has established the Remuneration Committee, composed of three independent directors, and on September 19, 2022, the Internal Control, Risk Management, and Sustainability Committee. As outlined in paragraph 7 of this report, the Board of Directors did not deem it necessary to establish a Nomination Committee internally.

Moreover, on January 13, 2021, the Board of Directors approved (i) a procedure related to related-party transactions of the Company (the "Related-Party Transactions Procedure"), (ii) a procedure for the public disclosure of privileged information, (iii) a procedure concerning the preparation, management, and updating of the list of persons with access to privileged information, and finally, (iv) a procedure regarding the disclosure obligations concerning transactions in financial instruments carried out by persons exercising administrative, control, or management functions within the Issuer and by persons closely related to them (as identified by Article 19 of Regulation (EU) No 596/2014), effective from the first day of trading on the Euronext Milan market.

Additionally, the Board of Directors of the Company, on January 13, 2021, adopted its own regulations to align the operating rules of the body with the statutory and regulatory principles in force from time to time, particularly those established by the Corporate Governance Code.

As of the Report Date, the Company falls within the definition of SMEs according to Article 1, paragraph 1, letter w-quater.1) of the Consolidated Financial Act and Article 2-ter of the CONSOB Issuers' Regulation since the simple average of the daily market capitalizations calculated based on the official price recorded during the annual financial year is below the threshold of EUR 500 million.

***

Furthermore, the Board of Directors of the Company, on December 10, 2020, in accordance with Articles 70, paragraph 8, and 71, paragraph 1-bis, of the CONSOB Issuers' Regulation, resolved to adhere to the opt-out regime provided for by the aforementioned articles. The Company availed itself of the option to derogate from the obligations to publish informative documents as stipulated in Annex 3B of the CONSOB Issuers' Regulation regarding significant merger, split, capital increases through contributions in kind, acquisitions, and disposals.

Through this Report, AbitareIn provides the market with the information required by Article 123-bis of the Consolidated Financial Act (TUF) and the current regulatory provisions on the corporate governance system adopted by the Company, as well as its related ownership structures, in line with recommendations from the Corporate Governance Code. This Report, drafted in consideration of guidelines developed by Borsa Italiana, also contains accurate and comprehensive information on the Company's adherence to the principles and criteria dictated by the aforementioned Corporate Governance Code. Any potential non-adherence to specific provisions of the Corporate Governance Code is justified within the section of the Report concerning the related governance practice otherwise applied by the Company.

2. Information on the ownership structures (pursuant to Art. 123-*bis*, paragraph 1, of the Consolidated Law on Finance) as at 13 December 2023

Information is provided below on the ownership structures at the Date of the Report, in accordance with the provisions of Art. 123-*bis*, paragraph 1, of the Consolidated Law on Finance.

a) Share capital structure (pursuant to Art. 123-*bis*, paragraph 1, letter a) of the Consolidated Law on Finance)

The entire share capital of AbitareIn consists of ordinary shares listed on the Euronext Milan market organised and managed by Borsa Italiana - Euronext STAR Milan segment, and issued in dematerialised form.

The current share capital of AbitareIn, fully subscribed and paid-up, amounts to Euro 133,003.90 and is divided into 26,600,780 ordinary shares, without indication of their nominal value (see Table 1 attached to this Report).

The Company has not issued other categories of shares other than ordinary shares, or other financial instruments that give the right to subscribe newly-issued shares.

On 31 May 2021, the Extraordinary Shareholders' Meeting also resolved to increase the share capital, free of charge and in tranches, by no later than 31 May 2026, for a maximum of Euro 5,100, corresponding to a maximum number of 1,020,000 ordinary shares of the Company with an implicit nominal value of Euro 0.005 each having the same characteristics as those already outstanding with regular dividend rights, with the exclusion of option rights pursuant to Article 2349, paragraph 1, of the Civil Code, to service the 2021-2023 stock grant plan. For more information on the incentive plan, reference should be made to the Remuneration Report published pursuant to Art. 123-*ter* of the Consolidated Law on Finance and the documentation referred to therein and made public pursuant to the applicable regulations.

Rights and obligations of AbitareIn shares

The ordinary shares of AbitareIn grant shareholders the rights and obligations provided by law for shares with voting rights. In particular, rights of an equity nature and rights of an administrative nature, as well as obligations of various kinds, are attached to the ordinary shares.

The rights of an equity nature attached to ordinary shares include, by way of example but not limited to, the right to dividends and interim dividends, the right of option in the event of a paid increase in share capital, the right of assignment in the event of a free share capital increase, and the right to a liquidation share in the event of the company's dissolution.

Among the rights of an administrative nature attached to the ordinary shares are, by way of example and not limited to, the right to participate in ordinary and extraordinary shareholders' meetings of the Company, the right to vote in shareholders' meetings, the right to information, the right to request the convening of shareholders' meetings, the right to challenge shareholders' meeting resolutions, the right to report to the Board of Statutory Auditors, the right to report to the Court, and the right to withdraw from the Company under certain circumstances.

The obligations associated with ordinary shares include, but are not limited to, the obligation of contribution.

b) Restrictions on the transfer of securities (pursuant to Art. 123-bis, paragraph 1, letter b) of the Consolidated Law on Finance)

The Company's Articles of Association do not provide for any restrictions on the transfer of shares, such as, for example, the limit to the possession of securities or the need to obtain approval from the Issuer or other holders of securities.

c) Significant equity investments (pursuant to Art. 123-*bis*, paragraph 1, letter c) of the Consolidated Law on Finance)

The Company falls within the definition of SMEs pursuant to Article 1, paragraph 1, sub-paragraph w-quater.1) of the Consolidated Law on Finance and Art. 2-*ter* of the Consob Issuers' Regulation and, therefore, pursuant to Article 120, paragraph 2, of the Consolidated Law on Finance, the threshold that requires significant equity investments to be reported is 5% of the share capital.

Based on the reports received from the Company pursuant to Art. 120 of the Consolidated Law on Finance, the persons directly or indirectly holding more than 5% of the subscribed and paid-up share capital, as at the Date of the Report, are those described in Table 1 attached to this Report.

d) Securities granting special rights (pursuant to Art. 123-*bis*, paragraph 1, letter d) of the Consolidated Law on Finance)

The Company has not issued any securities granting special control rights.

e) Employee share ownership: mechanism for exercising voting rights (pursuant to Art. 123-*bis*, paragraph 1, letter e) of the Consolidated Law on Finance)

To the date of this Report, the Company has not adopted any employee share ownership scheme.

f) Restrictions on voting rights (pursuant to Art. 123-*bis*, paragraph 1, letter f) of the Consolidated Law on Finance)

Each ordinary share confers voting rights without any limitation.

g) Agreements among shareholders (pursuant to Art. 123-*bis*, paragraph 1, letter g) of the Consolidated Law on Finance)

The Company is not aware of any agreements among shareholders pursuant to Article 122 of the Consolidated Law on Finance.

h) Change of Control clauses (pursuant to Art. 123-*bis*, paragraph 1, letter h) of the Consolidated Law on Finance) and provisions in the Articles of Association concerning takeover bids (pursuant to Art. 104, paragraph 1-ter, and Art. 104-bis, paragraph 1)

At the Date of the Report, the main loan agreements that the Issuer and the Group companies have entered into in order to obtain the capital necessary to conduct their activities, include those listed below, which provide for Change of Control clauses under which, in the event of a change of control in the shareholder structure of the financed party, the latter will become subject to an acceleration clause with the consequence that it must immediately make early and full repayment of the loan.

- Unsecured loan agreement entered into by AbitareIn Development 4 S.r.l. with Banca di Credito Cooperativo di Milano – Società Cooperativa for a total amount of Euro 5,875,000.00
- Loan contract signed by Savona 105 S.r.l. with BPM S.p.A. for a total amount of Euro 37,500,000.00
- Loan agreement executed by Porta Naviglio Grande S.r.l. and Banca Nazionale del Lavoro S.p.A., whereby the bank granted a medium to long-term financing to Porta Naviglio Grande in the total amount of Euro 11,802,000.00
- Loan contract entered into by Lambrate Twin Palace S.r.l. with Banca di Credito Cooperativo di Milano – Società Cooperativa for a total amount of Euro 18,100,000.00
- Mortgage loan agreement signed by Accursio S.r.l. with BPM S.p.A. for a maximum amount of Euro 30,900,000.00
- Mortgage loan agreement signed by AbitareIn Development 5 S.r.l. with BPM S.p.A. for a maximum amount of Euro 25,100,000.00
- Medium to long-term loan agreement signed by AbitareIn S.p.A. with Banca Nazionale del Lavoro S.p.A. for an amount of Euro 5,000,000.00
- Medium to long-term loan agreement entered into by Immaginare S.r.l. with Credit Agricole Italia S.p.A. for an amount of Euro 8,500,000.00

Except for the above-mentioned agreements, the Company and its subsidiaries are not part of any further significant agreements that take effect, are modified or are terminated in the event of a change of control in the company that is a party to such agreements.

The Company's Articles of Association do not provide for any departures from the provisions on public takeover bids regarding the passivity rule set forth in Art. 104, paragraphs 1 and 1-*bis*, of the Consolidated Law on Finance, nor do they provide for the application of the 'breakthrough' rules set forth in Art. 104-*bis*, paragraphs 2 and 3, of the Consolidated Law on Finance.

i) Delegated powers to increase the share capital and authorisations to purchase own shares (pursuant to Art. 123-*bis*, paragraph 1, letter m) of the Consolidated Law on Finance)

Proxies to increase the share capital or issue participatory financial instruments

As at the Date of the Report, the Board of Directors has no delegated powers to make share capital increases pursuant to Article 2443 of the Civil Code or for the issue of equity instruments.

Authorisations to purchase own shares

On July 14, 2023, the Shareholders' Meeting approved the proposal for authorization to purchase and dispose of own shares (buyback), for a maximum total expenditure of Euro 20,000,000.

The purpose of this operation is as follows:

Operations such as the sale and/or exchange of own shares for acquiring direct or indirect interests, properties, and/or entering agreements with strategic partners and/or for the implementation of industrial projects or extraordinary financial transactions aligned with the Company's and the group's expansion objectives.

Conduct subsequent operations of purchase and sale of shares within the limits permitted by accepted market practices.

Perform, directly or through intermediaries, any stabilization and/or liquidity support operations for the Company's shares, thus favoring the orderly trading, in accordance with the provisions of Regulation (EU) No. 596/2014 on market abuse (MAR Regulation) and related EU and national implementing legislation, and accepted market practices currently in force, as established by the competent supervisory authorities in accordance with Article 13 of the MAR Regulation.

Establish a so-called "share inventory" for potential future extraordinary financial operations.

Make medium to long-term investments or take advantage of a good investment opportunity, considering the risk and expected returns of alternative investments, including the purchase and resale of shares whenever appropriate.

Utilize excess cash resources.

As of the Report Date, the Company holds 425,141 own shares.

j) Management and coordination activities (pursuant to Art. 2497 *et seq.* of the Civil Code)

At the Date of the Report, the Company is not subject to management and coordination pursuant to Articles 2497 *et seq.* of the Civil Code.

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Finally, it should be noted that:

- the information required by Article 123-bis, first paragraph, letter i), of the Consolidated Law on Financial Intermediation concerning "the agreements between the company and the directors ... providing for indemnities in the event of resignation or dismissal without just cause or if their employment ceases following a takeover bid" is contained in the section of the Report dedicated to Remuneration (paragraph 8.1)
- the information required by Article 123-bis, paragraph one, letter l), of the Consolidated Law on Finance, concerning "the rules applicable to the appointment and replacement of directors ... if different from the laws and regulations applicable as a supplementary measure" are set forth in the section of the Report dedicated to the Board of Directors (paragraph 4.2)
- the information required by Article 123-bis, paragraph one, letter l), part one, of the Consolidated Law on Finance, concerning "the rules applicable ... to the amendment of the bylaws if different from the laws and regulations applicable by way of supplementary provisions" is illustrated in the section of the Report dedicated to the Shareholders' Meeting (paragraph 13).

3. Compliance (pursuant to Art. 123-*bis*, paragraph 2, letter a) of the Consolidated Law on Finance)

AbitareIn has formally adopted the Corporate Governance Code, accessible to the public on the website of the Corporate Governance Committee on the webpage https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf

The Board of Directors resolved to adopt the principles contained in the Corporate Governance Code, also bringing its governance system into line with the regulatory provisions.

With regard to any failure to adhere to one or more recommendations of the Corporate Governance Code, one should refer to the specific information in the various sections of this Report.

The Company is not subject to any non-Italian legal provisions that influence its corporate governance structure.

It should be noted that the Issuer does not fall within the definition of a 'concentrated ownership company' and 'large company' in the Corporate Governance Code.

Neither the Issuer nor its strategically important subsidiaries are subject to non-Italian legal provisions affecting the Issuer's corporate governance structure.

4. Board of directors

4.1 Role of the Board of Directors (pursuant to Article 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance

Pursuant to the regulations in force for companies with shares listed on regulated markets and in accordance with the recommendations of the CG Code, the Board of Directors plays a central role in the Company's system of governance, in particular in organising, directing and managing the company in order to pursue sustainable success and ensure compliance with the expectations of the other stakeholders, as well as monitor its implementation.

The Board of Directors is vested with all the powers of ordinary and extraordinary administration of the Company, with the exception of what is mandatory by law and the Articles of Association.

Pursuant to Article 18.4 of the Articles of Association, the Board of Directors has the right, without prejudice to the concurrent authority of the Extraordinary Shareholders' Meeting, to pass resolutions concerning mergers and demergers in the cases provided for in Articles 2505 and 2505-*bis* of the Civil Code, the establishment or elimination of secondary registered offices, the indication of which directors shall represent the company, the reduction of the share capital in the event of withdrawal of a shareholder, alignments of the Articles of Association to regulatory provisions, the transfer of the registered office in Italy, all pursuant to Article 2365, paragraph 2, of the Civil Code.

Pursuant to Article 18.8 of the Articles of Association, the Boardof Directors is solely responsible for the following matters, which, therefore, cannot be delegated::

a) approval and amendment of the business plan and the budget;
b) transfer, subscription, acquisition or sale, for any reason, of equity investments, companies and business units for transactions exceeding Euro 200,000.00 per individual transaction or as a total for transactions related to each other;
c) signing company and/or business unit lease contracts for amounts greater than Euro 200,000.00 per individual transaction or as a total for transactions related to each other;
d) transfer or acquisition, for any reason, of real estate rights, establishment of real rights on real estate and movable assets and the signing of real estate finance leases for amounts greater than Euro 500,000.00 per individual transaction or as a total for transactions related to each other;
e) transfer or acquisition, for any reason, of licences for intellectual property rights (including, without limitation, trademarks, patents, domain names) for amounts exceeding Euro 200,000.00 per individual transaction or as a total for transactions related to each other;
f) execution or amendment of loan agreements for amounts equal to or greater than Euro 1,000,000.00;
g) request for the issue of sureties, for amounts greater than Euro 500,000.00 per individual transaction and for a total amount per calendar year exceeding Euro 1,500,000.00;

h) establishment of security deposits for amounts greater than Euro 500,000.00 per individual transaction or as a total for transactions related to each other;
i) carrying out banking transactions, other than those indicated in point (g) above and discount transactions for invoices, for amounts greater than Euro 1,000,000.00 per individual transaction or as a total for transactions related to each other, and mortgage applications for any amount;
j) approval of annual incentive plans for employees concerning shares and/or equity financial instruments issued by the Company;
k) transactions with related parties that are not exempt pursuant to the related-party transactions regulation;
l) proposals to be submitted to the Shareholders' Meeting in relation to capital transactions;
m) decisions regarding the participation and exercise of voting rights within the corporate bodies of subsidiaries and associates in relation to any extraordinary transactions or transactions involving one of the transactions referred to in points (d) to (j) above.

The Board of Directors is also responsible for the appointment, subject to the opinion of the Board of Statutory Auditors, of the Manager in charge of preparing the accounting and corporate documents, pursuant to Art. 154-bis of the Consolidated Law on Finance.

The following matters are also reserved for the Board of Directors, in accordance with the provisions in the Corporate Governance Code:

n) the examination and approval of the business plan of the Company and the Group, also based on the analysis of the issues relevant to the generation of long-term value carried out with the possible support of a committee for which the management body determines the composition and functions;
o) periodic monitoring of the implementation of the business plan and the assessment of general operating performance, through regular comparisons between the results achieved and those planned;
p) the definition of the nature and level of risk that is consistent with the Company's strategic objectives, including in the evaluations all the elements that may be significant with a view to its sustainable success;
q) the definition of the Company's corporate governance system and the Group structure and the assessment of the adequacy of the organizational, management and accounting structure of the same and of its subsidiaries that are of strategic importance, with particular reference to the internal control and risk management system;
r) resolutions concerning the transactions of the Company and of its subsidiaries with a significant strategic, economic, asset-based or financial impact for the Company, establishing, for this purpose, the general criteria for identifying significant transactions;
s) the adoption, upon the proposal of the Chairman in agreement with the Chief Executive Officer, of a procedure for the internal management and external communication of documents and information concerning the Company, with particular reference to inside information.

On 13 January 2021, the Board of Directors, with the favourable opinion of the Board of Statutory Auditors, approved a memorandum on the Company's management control and reporting system, which, amongst other things, provides a summary representation of the Company's management control and reporting system and also identifies the possible areas for improvement and the actions implemented by the Company for greater integration and automation of the process of data collection and processing. The management control and reporting system described in the memorandum and adopted by the Company and the main Group companies is aimed at allowing the system managers to obtain periodically and promptly a sufficiently comprehensive picture of the economic and financial situation of the Company and its subsidiaries.

On a monthly basis, the Board of Directors assesses the general performance of operations, taking into account, in particular, the information received from the delegated bodies, and also periodically comparing the results achieved with those planned. As part of this assessment, the Board did not deem it necessary to establish, at a formal level, general criteria for identifying transactions that have a significant strategic, economic, asset-based or financial impact for the Issuer, since it is the Company’s practice to consider as such, in addition to those transactions that, due to their value, do not fall within the limits of the powers attributed to managing directors, also those other transactions which, even though their value falls within the limits of the powers attributed to managing directors, assume strategic importance in commercial, industrial or financial terms, for the purposes of the Company's business.

The Board of Directors has also:

- Internally established a Remuneration Committee (refer to section 8.2 of this Report) and the Control Risk and Sustainability Committee (refer to section 9.2 of this Report). However, for reasons indicated in section 7 of this Report, the Board of Directors did not consider it necessary to establish an internal Nominating Committee.
- Approved a Procedure for Related Party Transactions (refer to section 10.0).
- Established corporate functions for internal control oversight and investor relations and subsequently appointed individuals to these roles (refer to sections 9.0 and 12 of this Report).
- Adopted procedures in accordance with EU provisions on market abuse (known as "MAR"):
    - Procedure for disclosing privileged information to the public (refer to section 5.0 of this Report).
    - Procedure for maintaining a register of individuals with access to privileged information (refer to section 5.0 of this Report).
    - Internal Dealing procedure (refer to section 5.0 of this Report).
- Established a Model 231 pursuant to Decree 231 (refer to section 9.4 of this Report); and
- Formed a Supervisory Body (refer to section 9.4 of this Report).

The Shareholders' Meeting did not authorize any general or preventive waiver of the prohibition of competition provided for in Article 2390 of the Italian Civil Code.

It is noted that during the fiscal year, the Board of Directors did not consider it necessary or appropriate to develop substantiated proposals to submit to the shareholders' meeting for the definition of a corporate governance system better suited to the company's needs (refer to Paragraph 13).

On October 24, 2023, the Board of Directors adopted a policy for managing communication with the majority of shareholders (refer to Paragraph 12).

Regarding the responsibilities of the Board of Directors concerning (i) its composition, functioning, appointment, and self-assessment; (ii) remuneration policy; and (iii) internal control system and risk management, please refer to the relevant sections of this Report.

4.2 Appointment and replacement (pursuant to art. 123-*bis,* paragraph 1, letter l), Consolidate Law on Finance

Pursuant to Art. 18 of the Articles of Association, the company is managed by a Board of Directors consisting of no less than five and no more than nine members.

The members of the Board of Directors must meet the requirements of eligibility, professionalism and integrity required by law or any other requirement under the applicable regulations.

A minimum number of members of the Board of Directors, corresponding to the minimum number required by the regulations in force from time to time, shall meet the independence requirements provided for by law.

The Articles of Association do not provide for additional independence requirements for directors over and above those set out in Art. 148, paragraph 3, of the Consolidated Law on Finance; since the Company has adopted the Corporate Governance Code, the Board of Directors verifies that the independence requirements are met also pursuant to the Corporate Governance Code and, during the appointment of the management body by the Shareholders' Meeting, it invites the candidates for the office of Director included in the lists to also declare that they meet the requirements, as adopted by the Company.

The appointment and replacement of directors is governed by Article 21 of the Articles of Association, which establishes the following.

The directors remain in office for the period fixed by the Shareholders' Meeting resolution of appointment, up to a maximum of three financial years and may be re-elected.

The directors are appointed on the basis of lists of candidates submitted by the shareholders and, in any case, in compliance with the provisions of law and the Articles of Association concerning gender balance and the appointment of directors that meet the independence requirements. Candidates must be listed in the lists with numbers in sequential order. The lists submitted by shareholders, signed by the shareholder or shareholders who submit them (also by proxy to one of them), must contain a number of candidates not exceeding nine and must be filed at the Company's registered office within the deadlines provided for by the laws and regulations in force from time to time, as indicated in the notice of call or by means of remote communication as indicated in the notice of call, and made available to the public within the terms and in the manner provided for by the laws or regulations in force from time to time.

For the period of application of the laws and regulations in force from time to time regarding gender equality, each list which has a number of candidates equal to or greater than three, must also include candidates belonging to both genders, at least in the minimum proportion required by the law and regulations in force from time to time, as specified in the Shareholders' Meeting notice of call.

Together and simultaneously with each list, CVs containing the personal and professional characteristics of the individual candidates must be filed, indicating where appropriate their suitability to qualify as independent directors, together with the declarations whereby the individual candidates accept their candidacy and certify, under their own responsibility, that there are no grounds for incompatibility or ineligibility, as well as the existence of the requirements prescribed by the Articles of Association and applicable legal and regulatory provisions. Each list must also contain, as an attachment, an indication of the identity of the shareholders who submitted the lists and their overall percentage shareholding held, as well as any other additional or different declaration, disclosure and/or document required by the law and the applicable regulations.

A shareholder may not submit and may not exercise his/her voting rights for more than one list, even by proxy or through trust companies.

The following may submit a list for the appointment of directors: (i) shareholders who, at the time of submitting a list, hold, individually or jointly, a number of shares at least equal to the share determined by Consob pursuant to the applicable legal and regulatory provisions (as at the Date of the Report, this share with reference to the Company is equal to 4.5% of the share capital as reported by Consob Resolution no. 51 of 14 October 2021) and (ii) the Board of Directors. The holding of the minimum stake envisaged under (i) is determined having regard to the shares that are registered in favour of the shareholder on the day on which the list is filed with the Company, without prejudice to the fact that the related certification may also be produced after the list is filed, provided it is within the deadline set for the publication of the list.

The shareholders that are different from those who hold, even jointly, a controlling or relative majority interest, must also submit a declaration certifying the absence of any connections with the latter as envisaged by law.

Any list submitted by the Board of Directors must (i) be filed and made public, according to the procedures provided for by the regulations applicable from time to time to the lists submitted by shareholders, no later than thirty days prior to the date of the Shareholders' Meeting with first or single call, without prejudice to the deadlines established by law for filing with regard to calls subsequent to the first, and must be made available to the public in accordance with the legal provisions in force at the time for the lists of shareholders, and (ii) satisfy, *mutatis mutandis*, the requirements established for the submission of lists by shareholders.

No shareholder, as well as shareholders belonging to the same corporate group and shareholders adhering to a significant shareholders' agreement pursuant to Art. 122 of the Consolidated Law on Finance, may submit or contribute to the submission of more than one list, not even by proxy or through a trust company, or vote for different lists. Each person entitled to vote may only vote for one list. The vote of each shareholder will concern the list and therefore all the candidates indicated therein, with no possibility of changes or exclusions. Any votes cast in breach of this prohibition will not be attributed to any list.

Any lists submitted without complying with the above provisions shall be considered as not submitted.

The elections of directors shall take place in accordance with the following provisions:

a) in line with the sequential order in which they are listed, a number of directors equal to the total number of members to be elected less one shall be taken from the list that obtained the highest number of votes (the "**Majority List**");
b) one director shall be taken from the list that obtained the second highest number of votes and that has no connections, even indirectly, with the shareholders who submitted or with those who voted for the Majority List (the "**Minority List**"); this director shall be the candidate indicated with the first number on that list;
c) moreover, any lists that do not obtain a number of votes equal to at least half of the number of shares corresponding to the shareholding required for the submission of lists shall not be taken into account;
d) in the event of a tie between lists, the Shareholders' Meeting shall proceed with a new vote, solely with regard to those lists that have tied, and the list that obtains the highest number of votes shall prevail;
e) if, according to the procedures indicated above, the provisions on independence requirements provided for by law are not met, one shall proceed as follows: the candidate, who does not meet the independence requirements and was the last to be elected in sequential order in the list that had the highest number of votes, shall be replaced by the first unelected candidate who meets the independence requirements from the same list according to the sequential order. Finally, if this procedure does not ensure the presence of the necessary number of directors who meet the independence requirements, the elected candidate will be substituted by a majority resolution passed by the Shareholders' Meeting, through prior submission of candidates who meet the independence requirements;
f) if, according to the procedures indicated above, the provisions on gender equality provided for above are not met, the candidates of the most represented gender elected as the last in sequential order from the Majority List shall be replaced with the first unelected candidates, drawn from the same list, belonging to the other gender; if it is not possible to implement this replacement procedure, in order to ensure compliance with the provisions established above on gender distribution, the missing directors shall be elected by the Shareholders' Meeting according to the ordinary procedures and majorities, without applying the mechanism of voting by lists.

If a single list is submitted, the Board of Directors shall be drawn in full from it, if it obtains the majority required by law for an Ordinary Shareholders' Meeting, in compliance with the provisions of law and regulations in force from time to time, and also with the provisions on gender equality established above and the provisions of law and the Articles of Association with regard to the appointment of independent directors.

If no list has been submitted or if only one list is submitted and it does not obtain the majority of votes or if the number of directors elected on the basis of the lists submitted is lower than the number of members to be appointed or if the entire Board of Directors does not need to be renewed or if it is not possible for any reason to appoint the Board of Directors according to the procedures specified in Art. 21 of the Articles of Association, the members of the Board of Directors shall be appointed by the Shareholders' Meeting according to the ordinary procedures and majorities, without applying the mechanism of voting by lists, without prejudice to the minimum number of directors who meet the independence requirements provided for by

The candidate that may have been indicated as Chairman of the Board of Directors in the list that obtained the highest number of votes or in the only list that was submitted shall be elected to that office. Failing this, the Chairman shall be appointed by the Shareholders' Meeting with the ordinary legal majorities and, if this appointment is not made by the Shareholders' Meeting when appointing the management body, he/she shall be elected by the Board of Directors from among its members.

If during the financial year one or more directors cease to hold office, provided that the majority still consists of directors appointed by the Shareholders' Meeting, the provisions in Article 2386 of theCivil Code shall apply, as indicated below:

a) the Board of Directors shall proceed with the replacement from among those included in the same list, to which the outgoing directors belonged, provided they meet the same requirements as those met by the directors who have ceased to hold office, and the Shareholders' Meeting passes a resolution by legal majorities, in compliance with the same criterion;
b) if the aforesaid list does not contain any previously unelected candidates or candidates meeting the necessary requirements, or in any case when, for any reason, it is not possible to comply with the legal and regulatory provisions in force from time to time or the provisions on gender equality established above or the provisions of the law and the Articles of Association with regard to the appointment of independent directors, the Board of Directors shall see to the replacement, and subsequently the Shareholders' Meeting shall pass a resolution, with legal majorities without voting by lists.

In any case, the Board of Directors and the Shareholders' Meeting shall appoint them in such a way as to ensure (i) the presence of independent directors according to the total minimum number required by the regulations in force from time to time and (ii) compliance with the regulations in force at the time concerning gender balance.

However, the Shareholders' Meeting may resolve to reduce the number of members of the Board of Directors to that of the directors in office for the residual term of office, without prejudice to the need to ensure an adequate number of independent directors and compliance with the regulations in force at the time concerning gender balance.

Whenever, for any cause or reason, the majority of the directors appointed by the Shareholders' Meeting cease to hold office, the entire Board of Directors shall be deemed to have forfeited their position and those directors remaining in office shall call the Shareholders' Meeting to appoint the new Board of Directors according to the procedure referred to in Art. 21 of the Articles of Association mentioned above.

The Issuer discloses that it is not subject to additional legal rules concerning the appointment and replacement of the Board of Directors.

At the Date of the Report, the Board of Directors has decided not to adopt a plan for the succession of executive Directors, in consideration of the specific shareholder structure and the current system of delegated powers implemented within the Board of Directors. In this regard, based on the shareholder structure, the Company may promptly activate the Board of Directors in order to adopt the appropriate resolutions.

For information on the role of the Board of Directors and Board Committees in the processes of self-assessment, appointment and succession of Directors, please refer to Section 7 below of this Report.

4.3 Composition (pursuant to Art. 123-*bis*, paragraph 2, letter d) of the Consolidated Law on Finance)

The Issuer’s Board of Directors in office has six members. All the members were appointed by the Ordinary Shareholders' Meeting on 23 December 2020 with the mechanism of voting by lists, for the Years 2021, 2022 and 2023 and in any case until the date of the Shareholders' Meeting that will be called to approve the financial statements as at 30 September 2023.

Since a single list was submitted by Luigi Francesco Gozzini - owner of a stakeholding of 23.21% of the entire share capital of the Company - on the occasion of the renewal of the corporate offices, the members of the Board of Directors were drawn in full from that list, according to the legal majorities required for the ordinary shareholders' meeting, as provided for by the Issuer's Articles of Association. In particular, the list was approved by the Shareholders' Meeting with the favourable vote of 1,157,638 voting shares, representing 100% of the share capital present at the Meeting; no shares abstained or did not vote.

At the same date, the Board of Directors has , among other things, appointend Luigi Francesco Gozzini as President of the Board and has appointed Luigi Francesco Gozzini and Marco Claudio Grillo as CEOs.

The directors in office as at the Date of the Report are shown in Table 2 attached (which summarises the information relating to: year of birth, seniority of service since the first appointment, date of appointment and duration of office, qualification and independence (if appropriate), positions held and attendance at meetings of the Board of Directors and its committees), and also in the following notes (indicating the personal and professional characteristics of the directors).

Luigi Francesco Gozzini - Chairman of the Board of Directors and Chief Executive Officer

Born in Bergamo on 28 January 1967; after graduating in Information Science at the University of Milan, and a Master's degree in Business Administration from Bocconi University, he was an Associate Consultant with McKinsey. He worked in the financial sector for the Ministry of Finance, Unicredit, San Paolo di Brescia and Banca Popolare di Brescia. He participated in the Cariplo-Banco Ambrosiano Veneto merger, which created Banca Intesa. From 93 to 95 he worked for SGS in Thomson in Bristol and Grenoble before finally returning to Italy, in Catania, as a Project Manager. He was a founding member of Gandalf Airline and then focused his activities in the real estate sector, founding the Immobiliare T Group and, finally, AbitareIn.

Marco Claudio Grillo – Chief Executive Officer

Born in Savona on 4 September 1968, he graduated with a first-class degree in Information Science from the University of Milan. After an experience as a programmer analyst at Siemens, in 1994 he followed the start-up of IUnet, the first Italian ISP for the business world, purchased from Olivetti Telemedia. In the following years he worked in US multinationals in the IT and networking sector (including DELL) with posts as Country Manager in Italy, Southern Europe and the Middle East. In 2005 he founded Flowinspect, of which he was also Chief Executive Officer, a start-up dedicated to networking and security solutions that was acquired in 2008 by a major supplier of US security products. Following the acquisition of Flowinspect, he was appointed Chief Executive Officer of Emaze Networks S.p.a., a leading company in Italy in the IT Security sector, which was subsequently acquired by a German private equity fund. After overseeing, as a consultant appointed by the Board of Directors, the sale of Matrix S.p.A. (part of the Telecom Italia Group) to Libero, he focused on the real estate sector and founded AbitareIn with his business partner Luigi.

Eleonora Reni – Director

Born in Reggio Emilia on 6 June 1988, she graduated with a first-class degree from the Università Cattolica del Sacro Cuore in Milan, with a focus on Business and a thesis on Business Accounting and Reporting. After an experience in a firm of solicitors, in 2015 she joined the legal office of AbitareIn S.p.A. and, since the listing of the Company on the AIM Italia Market, she has been the Investor Relator

Mario Benito Mazzoleni – (Independent) Director

Born in Milan on 24 January 1957, he graduated from L. Bocconi University. Since 1992 he has been a senior lecturer in Business Economics at the University of Brescia. Since 2018, he has been Director of the School of Management and Higher Education at the University of Brescia. From 1992 to 2004 he was Director of the Master of Business Administration at SDA Bocconi. Member of the Advisory Scientific Committee of Confindustria for SMEs, for the "Sviluppo&Organizzazione" management magazine, the "L'impresa" management magazine, the "Azienda Pubblica" management magazine of Giuffrè publishers and author of numerous publications including those in international magazines.

Giuseppe Vegas – (Independent) Director

After graduating in law in 1973, he was an official at the Senate of the Republic from 1978. In 1995 he was appointed Undersecretary for Finance and then of the Treasury. In 1996 and then in 2001 and 2006 he was elected to the Senate and in 2008 he was elected to the Chamber of Deputies. From 2001 to 2006 he was appointed firstly as Undersecretary and then as Deputy Minister of the Economy, and similarly from 2008 to 2010, with specific functions in terms of budget manoeuvres. In December 2010, he was appointed Chairman of Consob, a position he held until December 2017. As a journalist and publicist, he has had teaching contracts at the University of Parma and Milan and has written, among others, monographs and manuals for high schools and universities in the field of public spending. He is currently a tenured professor in the Economics Faculty of the Università Cattolica del Sacro Cuore. He is a director of Officine CST S.p.A., with registered office in Rome, Chairman of Arisk S.r.l., with registered office in Milan, and chairman of Assofintech Advisory Board.

Nicla Picchi – (Independent) Director

The founder and managing partner of the law firm Picchi, Angelini & Associati. Within the scope of its business activities, she has gained solid experience in the areas of commercial, industrial, EU and international trade law. On behalf of Italian companies, she has handled numerous internationalisation transactions in various areas of the world. She participated in the structuring and negotiation of complex international transactions, including the drafting of the related contractual agreements. She coordinates and manages the division that deals with the implementation of Organisation and Management Models pursuant to Legislative Decree 231/01; in this context, for over a decade, she has chaired the Supervisory Bodies of various listed and non-listed companies. She closely follows sustainability and corporate social responsibility issues. For years, she has been on the boards of directors of leading listed companies.

It should be noted that among the 6 directors elected, 3 directors have declared that they meet the independence requirements set forth by the applicable laws and regulations, the Articles of Association and the Corporate Governance Code.

Information on the candidates for the office of Director (including the curriculum vitae containing the personal and professional characteristics of each candidate), as well as the lists submitted can be viewed on the Company's website at www.abitareinspa.com.

The Board of Directors is, therefore, composed of executive directors and non-executive directors, with professionalism and skills adequate to the tasks entrusted to them

The number and skills of the non-executive directors are such as to ensure that they have a significant influence in the adoption of board resolutions and to guarantee effective monitoring of management.

The number and competencies of the independent directors are adequate to the Company's needs and the functioning of the Board of Directors, as well as the constitution of the relevant committees.

Annex A to this Report indicates the positions as director or statutory auditor held by the current Directors of the Company in other companies.

Diversity Policies and criteria in the composition of the Board of Director and in the Company organization

With reference to Article 123-bis, paragraph 2, letter d-bis, of the TUF introduced by Legislative Decree no. 254/2016, which requires disclosure in the Corporate Governance Report and the Ownership Structure Report of the adoption of diversity policies concerning the composition of corporate bodies, the Board of Directors has not adopted a diversity policy for the members of the corporate bodies.

Regarding gender diversity, the Issuer applies the provisions of Article 147-ter, paragraph 1-ter, of the TUF, pursuant to which the underrepresented gender must account for at least two-fifths of the elected directors[1]. It is noted that rules ensuring that the distribution of the members of the Board of Directors to be elected is based on a criterion ensuring a balance between genders, as provided for in Article 147-ter, paragraph 1-ter, of the TUF, have been incorporated into the Bylaws and will apply from the first renewal of the administrative body subsequent to the date the trading commenced, and therefore, from the renewal that will be submitted to the Shareholders' Meeting approving the financial statements for the year ended September 30, 2023.

At the date of this Report, out of 6 members of the Board of Directors, two members belong to the less represented gender. At the date of this Report, the composition of the Board of Directors complies with the requirement as per Recommendation 8 of Article 2 of the Corporate Governance Code regarding gender balance.

Considering the structure and size of the Company, the qualitative and quantitative composition of the Board of Directors, which ensures sufficient diversification in terms of skills, age, international experience, and gender, as well as its ownership structure and the list voting mechanism provided for in the Bylaws, which in turn ensures a transparent nomination procedure and a balanced composition of the administrative body, the Board of Directors believes it complies with diversity criteria for the composition of the administrative and control bodies, despite not having adopted a specific policy.

Maximum number of positions held in other companies

The Board of Directors decided not to define any general criteria for the maximum number of management and control positions held in other companies that may be considered compatible with the effective performance of the role as a director of the Company. This was because the Board deemed it appropriate to leave this kind of assessment on compatibility to the responsibility of the individual directors.

The Company intends to comply with the recommendations contained in Art. 3, Principle XII, of the Corporate Governance Code according to which each director ensures adequate availability of time for the diligent performance of his/her duties.

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[1] This provision for companies newly listed on the stock exchange stipulates that "for the first renewal following the start of trading," the percentage to be reserved for the underrepresented gender should be "at least one-fifth" of the elected members. This new provision will apply "from the first renewal of the administrative and control bodies of companies listed on regulated markets subsequent to the date of entry into force of this law," which took place on January 1, 2020. For the Company, it is thus expected that "for the first renewal following the start of trading," the percentage to be reserved for the underrepresented gender will be "at least one-fifth" of the elected members and not "at least two-fifths" as provided in Article 147-ter, paragraph 1-ter, of the TUF.

Induction Programme

All directors have received a disclosure to allow them to acquire adequate knowledge of the sector of activity in which the Issuer operates, the company performance and its development, also with a view to the sustainable success of the company, to the principles of sound risk management and also to the reference regulatory and self-regulatory framework, in accordance with Article 3, Recommendation 12, letter d), of the Corporate Governance Code.

4.4 Functioning of the Board of Directors (pursuant to Art. 123-*bis*, paragraph 2, letter d) of the Consolidated Law on Finance)

In accordance with Principle IX of the Corporate Governance Code, the Board of Directors defines the rules and procedures for its own functioning, particularly to ensure effective management of board information.

On January 13, 2021, from the start date of the company's shares trading on the Euronext Milan market, the Board of Directors adopted its regulations to define the operating rules of this body in line with statutory and regulatory principles, as well as those established by the Corporate Governance Code, including the methods for recording minutes of meetings.

In particular, the Articles of Association govern, among other things: i) the methods and terms for convening Board meetings, even in case of urgency; ii) the conditions required for the valid conduct of board meetings even without prior notice; iii) the conditions required for the valid conduct of board meetings via video and teleconferencing; iv) provisions regarding the chairmanship of individual meetings, usually assumed by the Chairman of the Board of Directors; v) the constitutive and deliberative quorums for the valid constitution of the administrative body and the adoption of resolutions on the agenda, and vi) the appointment of the Board Secretary and the procedures for recording the Board's deliberations.

The timeliness and completeness of pre-board information is ensured by the Chairman of the Board of Directors, who distributes to the directors the documentation related to the matters on the agenda in the days immediately preceding the scheduled date for the Board meeting.

The Chairman of the Board of Directors acts as a liaison between the executive and non-executive directors and ensures the effective functioning of board proceedings. The Chairman, with the assistance of the Board Secretary, ensures that pre-board information and information provided during meetings are adequate to enable directors to act in an informed manner in carrying out their role.

During the year, the Board of Directors held 17 meetings. The percentage of attendance at these meetings by Board members was as follows: Luigi Francesco Gozzini 100%; Marco Claudio Grillo 100%; Eleonora Reni 100%; Mario Benito Mazzoleni 82%; Giuseppe Vegas 82%; Nicla Picchi 94%. The average duration of Board meetings was about 1 hour.

Where necessary or at the request of the Chairman or one or more external administrators, particularly those with strategic responsibilities, the Head of Internal Audit Function, heads of business functions, or external consultants participate in Board meetings to provide insights on agenda items.

For the current year, 12 Board meetings have been scheduled. As of the Report Date, 3 meetings have been held, including the December 13, 2023 session for the approval of the Report.

4.5 Chairman role

The General Meeting is chaired by the Chairman of the Board of Directors. In the event of their absence or resignation, the meeting is chaired by the Vice-Chairman if appointed, or by a person designated by the majority vote of the represented share capital.

As per the Company's Articles of Association, the Chairman of the Board of Directors: (i) ensures the regular constitution of the General Meeting, verifies the identity and legitimacy of the attendees, directs and regulates the course of the Meeting, and ascertains and proclaims the voting results (Article 16 of the Articles of Association); (ii) convenes the Board of Directors (Article 19 of the Articles of Association); (iii) holds the legal representation of the Company (Article 22).

According to the Board of Directors' regulations, the Chairman is obligated to promote the effective functioning of the corporate governance system by ensuring a balance of powers among the Company's deliberating bodies. Additionally, the Chairman plays a role in driving and coordinating the Board of Directors to pursue the Company's best interests.

The Chairman is responsible for convening the Board of Directors, setting the agenda, coordinating the proceedings, ensuring adequate information on agenda items is provided to all directors, and has the power to propose resolutions.

The Chairman serves as a liaison between executive and non-executive directors, ensuring the efficient functioning of board proceedings. Moreover, the Chairman ensures optimal timing of board meetings, encouraging productive debates and regulating discussion duration based on the agenda item's significance.

During the reporting period, the Chairman: (i) in coordination with the Chief Executive Officer, ensured the Company's executives and those of its subsidiaries responsible for relevant business functions attended board meetings, at times upon request from individual directors, to provide pertinent insights on agenda items; and (ii) ensured adequate pre-board information and provided information during meetings to enable directors to make informed decisions in their role.

Considering the governance model adopted by the Company and consistent with the previously described organizational structure of the Group, on December 23, 2020, the Board of Directors appointed Luigi Francesco Gozzini as Chairman of the Board of Directors and Chief Executive Officer. Regarding the delegation of management powers to the Chairman, the Board of Directors believes this responds to appreciable organizational and managerial needs of the Company, aiming for the efficient functioning of the administrative body.

Secretary of the Board of Directors

Pursuant to the Rules and Regulations and in agreement with the recommendations of the Corporate Governance Code, the Board appoints a Secretary, who may also be external to the Board, possessing adequate competence and experience in the management of the duties envisaged for this role by the Rules and Regulations.

On 13 January 2021, the Board of Directors appointed a Secretary of the Board of Directors in the person of Director Eleonora Reni, who has been assigned the functions envisaged by the CG Code.

The Secretary supports the activities of the Chairman and provides impartial assistance and advice to the Board of Directors on every aspect relevant to the proper functioning of the corporate governance system, in order to ensure that:

a) pre-meeting information is accurate, complete and clear, and additional information provided during meetings is adequate to enable directors to act in an informed manner;
b) the activity of Board committees is coordinated with the activity of the Board of Directors;

c) the top management of the Company and of the companies of the same Group, as well as the heads of corporate functions, may intervene in Board meetings to provide the appropriate details on the items on the agenda
d) all Directors may participate, subsequent to their appointment and during their term of office, in specific induction activities;
e) the self-assessment process is adequate and transparent.

Furthermore, he draws up the minutes of each meeting and signs them together with the Chairman; he also takes care of keeping the minutes and the company books.

4.6 Executive Directors

Delegated Directors

Pursuant to Article 18 of the Articles of Association, the Board of Directors may delegate all or part of its powers, pursuant to and within the limits of Article 2381 of theCivil Code and with the exception of the matters referred to in paragraph 18.8 of the Articles of Association (as indicated above), to an executive committee composed of some of its members, or to one or more of its members, also on a separate basis. If one or more executive committees are established, decisions on their composition and operating rules are entrusted to the Board of Directors.

The Board of Directors may appoint senior managers, general managers, general proxies or attorneys for the performance of certain acts or categories of acts, determining their powers.

The Board of Directors has delegated certain powers to Luigi Francesco Gozzini (Chairman of the Board of Directors) and Marco Claudio Grillo (Director).

In particular, at its meeting held on 23 December 2020, the Board of Directors approved the following system of proxies and powers:

a) powers attributed to Luigi Francesco Gozzini - Chairman of the Board of Directors and Chief Executive Officer

(i) to actively and passively represent the Company before any public, judicial, administrative, tax and trade union authority, both in Italy or abroad, whether ordinary or special, in any proceedings, state, level and venue; make third-party declarations in enforcement procedures;
(ii) to represent the Company in legal proceedings, both vis-à-vis private individuals and public entities, before any ordinary, administrative, national or supranational judicial authorities, in any active and passive dispute, brought or to be brought at any venue, state and level, with all the widest powers to uphold the Company's claims, to propose and submit actions, to join a civil action, also with the right to promote lawsuits in the interest of the Company, to indicate an address for service, to perform acts of enforcement and conservation on securities and real estate assets, to reach agreements in arbitration disputes, to settle any litigation in any court and out-of-court proceedings, including labour disputes, to appoint attorneys with special mandates, attorneys with special warrants and arbitrators, experts and notaries, with the necessary powers to revoke them and replace them, in general to perform every and any useful and necessary acts for the judicial and administrative protection of the Company;
(iii) to represent the Company at the shareholders' meetings of all its subsidiaries and investees and of any other entity or association of which it is a part in any way;
(iv) to transfer, subscribe, acquire or sell, for any reason, equity investments, companies and business units for transactions exceeding Euro 200,000 per individual transaction or as a total for transactions related to each other;
(v) to enter into and conclude deeds of transfer or acquisition, for any reason, of real estate rights, establishment of real rights on real estate and movable assets and sign real estate finance leases for amounts greater than Euro 500,000 per individual transaction or as a total for transactions related to each other;
(vi) to perform transactions on current accounts opened at banks in the name of the Company, by letter or through the issue of cheques; make endorsements to the banks, both for discounting and collection of bills of exchange, bank cheques and other commercial instruments and generally including all banking transactions;
(vii) to enter into or amend loan agreements for amounts less than Euro 1,000,000;
(viii) to organise and then negotiate, sign, amend, terminate insurance contracts, including surety policies and guarantees for the most appropriate coverage of all the risks associated with the performance of the Company’s business;
(ix) to request the issue of guarantees, sureties, surety policies and/or deposits by insurance companies, to guarantee the exact fulfilment by the Company and the companies of obligations deriving from current transactions linked to its business, for amounts up to, for each individual transaction, Euro 500,000.00 and for a total amount, per calendar year, up to Euro 1,500,000;
(x) to carry out banking transactions, other than those indicated in point (ix) above and discount transactions for invoices, for amounts up to Euro 1,000,000 per individual transaction or as a total for transactions related to each other, and mortgage applications for any amount;
(xi) to establish security deposits for amounts up to Euro 500,000 per individual transaction or as a total for transactions related to each other;
(xii) to disburse loans to the subsidiaries of the Company up to Euro 5,000,000;
(xiii) to appoint and revoke, within the limits of the powers granted above, special ad hoc attorneys for individual acts or categories of acts;
(xiv) to perform in general all ordinary administration transactions within the limits of the powers granted above, even if not previously listed, and to do everything appropriate in the interest of the Company, except for those actions expressly reserved to the Board of Directors or the Shareholders' Meeting, for the successful completion of his remit, with the extensive list of powers indicated above to be understood as examples but without limitations thereto;

b) powers attributed to the Chief Executive Officer Marco Claudio Grillo

(i) to represent the Company at the Social Security and National Work Accident Insurance Institutions, the employment offices and at any other body or institution responsible for governing and regulating employment relationships, and to represent the Company vis-à-vis trade union organisations and trade union representatives, with the exclusion of any matters relating to employment relationships for employees with senior management status;
(ii) to represent the Company before the Tax Authorities, with the right to submit and sign petitions, including those of a conciliatory nature, and annual and periodic tax returns for direct and indirect taxes, sign declarations as withholding agents with respect to employees and third parties; submit appeals, petitions, memorials, and also to represent the Company before Tax Commissions of all levels and for this purpose, with the right to sub-delegate, appoint or revoke attorneys, lawyers and experts;
(iii) to perform at public and private offices, railway and customs offices, transport and shipping companies, post and telegraphic offices any operations for the release and/or collection of goods, deposits, packages, envelopes, valuables, letters including insured and registered letters and those containing valuables, issuing the related receipts and discharging documents using all the widest possible formulas;

(iv) to represent the Company in any relationship with third parties and with public administrations and sign the related correspondence and, in particular, at any other body and institution responsible for governing and regulating employment relationships and vis-à-vis the trade union organisations and trade union representatives;

(v) to hire managerial, clerical and blue collar staff on permanent and fixed-term contracts, and also to establish their salary conditions, and suspend or dismiss such staff; enter into contracts providing temporary staff;

(vi) to impose the disciplinary sanctions on all employees as provided for in the applicable national collective labour agreement, in compliance with all legal and/or regulatory provisions and agreements relating to said provisions;

(vii) to take part in trade union negotiations and enter into company agreements and represent the Company vis-à-vis the trade union organisations and trade union representatives in discussions on issues concerning relations with employees, with express authorisation to settle such disputes where appropriate, signing the related reconciliation reports and to settle any disputes with the Company's employees;

(viii) to negotiate, sign, amend and terminate agreements with reference to passive contracts for purchasing, contracting and subcontracting with regard to goods and services, as well as to negotiate and reconcile any dispute with a unitary value of up to Euro 200,000 euro; for higher amounts, the joint signature of both CEOs will be required;

(ix) to file trademarks and patents, transfer or acquire, for any reason, the licensing of intellectual property rights (including, without limitation, trademarks, patents, domain names) for amounts up to Euro 200,000 per individual transaction or as a total for transactions related to each other;

(x) to apply for licences, permits, authorisations and administrative concessions of any kind;

(xi) to perform transactions on current accounts opened at banks in the name of the Company, by letter or through the issue of cheques; make endorsements to banks, both for discounting and collection of bills of exchange, bank cheques and other commercial instruments and generally including all banking transactions with a unitary value of up to Euro 5,000,000;

(xii) to arrange for the payment of taxes, employee salaries and the payment of directors' fees, within the limits of the resolutions of the Shareholders' Meeting, with no limitations on the amount;

(xiii) to carry out all credit and debit factoring transactions, assign receivables, carry out discounting transactions, grant mandates for collection and establishing guarantees, always limited to the Company's activities;

(xiv) to grant to other persons and, to the extent of the responsibilities of the individual functions, to the heads of these functions, powers of attorney and proxies for the performance of certain individual acts or categories of acts from those mentioned above, specifying their attributed powers;

(xv) to perform in general all ordinary administration transactions, related to the functions of the administrative, financial, human resources and general service areas within the limits of the powers granted above, even if not previously listed, and to do everything appropriate in the interest of the Company, except for those actions expressly reserved to the Board of Directors or the Shareholders' Meeting, for the successful completion of the remit with the extensive list of powers indicated above to be understood as examples but without limitations thereto;

(xvi) in addition, all powers (including the necessary and appropriate management and spending powers) are granted exclusively to the Chief Executive Officer, Marco Claudio Grillo, as well the duty for implementing the entire legal and regulatory system in force regarding the protection of personal data, which needs to be carried out as part of the Company's entrepreneurial activity. Therefore, he may, with full autonomy and discretion, take every necessary or appropriate initiative to achieve the purpose of processing personal data in strict compliance with the legislation pursuant to Regulation (EU) 679/2016 (or, for the sake of brevity, GDPR), Legislative Decree no. 196 of 30 June 2003 (as amended by Legislative Decree no. 101/2018) as amended and supplemented, including future amendments and integrations, as well as the measures issued by the Italian Data Protection Authority. In addition, the Chief Executive Officer, Marco Claudio Grillo, may represent the Company before third parties and be entitled to delegate, in whole or in part, any and all the powers attributed to him/her with regard to the protection of personal data.

On 13 January 2021, the Board of Directors also resolved to appoint the Managing Director Marco Claudio Grillo, as the Chief Executive Officer (main person in charge of company management), tasked with establishing and maintaining the internal control and risk management system, starting from the date on which the trading of the Company's shares on the Euronext Milan market was launched.

Chairman of the Board of Directors

On 23 December 2020, the Shareholders' Meeting elected and appointed Luigi Francesco Gozzini as Chairman of the Board of Directors until the approval of the financial statements as at 30 September 2023.

At the meeting held on 23 December 2020, the Board of Directors, in order to ensure the best operational management of the Company, delegated to the Chairman of the Board of Directors, Luigi Francesco Gozzini, the powers set forth in the previous paragraph

The Chairman of the Board of Directors, Luigi Francesco Gozzini, is not the Issuer's controlling shareholder.

Executive Committee

At the Date of the Report, the Company has not set up any executive committee.

Information report for the Board by the members/delegated Directors

Pursuant to Article 19.3 of the Articles of Association, the delegated bodies are required to report to the Board of Directors and the Board of Statutory Auditors, at least every three months, on the general performance and outlook of operations, as well as on the most significant transactions in terms of size or characteristics carried out by the Company and its subsidiaries.

The CEO reports to the Board at Board meetings on the activity carried out in the exercise of the powers granted to him/her by the Board. In particular, on a quarterly basis, the Chief Executive Officer provides a report on the activity carried out and the main transactions carried out by the Company and its subsidiaries, even if they are transactions for which prior approval by the Board of Directors is not required.

Other executive directors

Except for the Chairman of the Board of Directors and the CEO, no other director may be qualified as an executive director.

4.7 Independent Directors and lead independent director

Independent Directors

The Board of Directors comprises 3 independent directors out of 6, possessing the independence requirements as outlined in Article 148, paragraph 3, of the Consolidated Law on Finance (TUF), as well as the independence criteria set forth in the Self-Discipline Code and the Corporate Governance Code. The independent directors Mario Benito Mazzoleni, Giuseppe Vegas, and Nicla Picchi were appointed by the Company's Shareholders' Meeting on December 23, 2020.

The Company believes that the current number of independent directors in office is adequate for the business needs, the Board's functioning, and the constitution of its internal committees. As of the Reporting Date, the Chairman of the Board of Directors has not been qualified as independent.

On January 13, 2021, the Board of Directors established the circumstances that compromise or may appear to compromise the independence of a director. These circumstances include but are not limited to:

a) Being a significant shareholder of the company.
b) Having been an executive director or employee, within the past three fiscal years, of the company, a strategically relevant subsidiary, or a company under common control, or of a significant shareholder of the company.
c) Directly or indirectly having significant commercial, financial, or professional relationships, within the last three fiscal years, with the company, its controlled companies, significant shareholders, or entities under common control, among others.
d) Receiving significant additional remuneration from the company, its subsidiaries, or the controlling company, apart from the fixed compensation for the position and committee participation as per the Code or current regulations, in the last three fiscal years.
e) Serving as a director of the company for more than nine fiscal years, not necessarily consecutive, within the last twelve fiscal years.
f) Holding the position of executive director in another company where an executive director of the company holds a director's position.
g) Being a partner or director in a company or entity within the network of the company responsible for the company's legal audit.
h) Being a close relative of an individual in any of the aforementioned situations.

Quantitative and qualitative parameters were approved by the Board of Directors on November 14, 2023, to evaluate relationships mentioned in points c) and d) above. These parameters consider commercial or financial relationships and professional services. Additionally, relationships are considered significant if they meet certain monetary thresholds, regardless of the quantitative parameters.

Independence was verified by the Board of Directors at the time of appointment, on January 13, 2021, as well as annually or in the event of significant circumstances affecting independence. Each non-executive director provides necessary information for evaluation, and the Board considers all factors impacting or appearing to impact an administrator's independence.

The Board of Directors and the Board of Statutory Auditors verified the independence of the aforementioned independent directors after their appointment, based on declarations made by them under Article 148 TUF and applying criteria outlined in the Corporate Governance Code. The results of these assessments were disclosed to the market through a press release on December 13, 2023. The Board of Statutory Auditors confirmed having carried out all necessary checks regarding the proper application of assessment criteria and procedures adopted by the Board of Directors to evaluate the independence of its members. The outcomes of these verifications will be communicated in the Board of Statutory Auditors' report to the Shareholders' Meeting under Article 153 TUF.

Lead independent director

At its meeting on 13 January 2021 and with effect from the start of trading of the Company's shares on the Euronext Milan market, the Board appointed the independent director Mario Benito Mazzoleni as lead independent director in acceptance of the provisions of recommendations 13 and 14 of Article 3 of the Corporate Governance Code. The Lead Independent Director represents a point of reference and coordination for the requests and contributions made by non-executive directors and, in particular, the independent ones, since the Chairman of the Board of Directors is vested with significant management powers.

The Lead Independent Director coordinates the meetings of the Independent Directors only.

During the financial year 2022, the Lead Independent Director attended the meetings of the Board of Directors, the Remuneration Committee and the Control, Risk and Sustainability Committee, representing a point of reference not only for the Non-Executive Directors and the Independent Directors, but for all Board members.

5. Management of corporate information

AbitareIn has adopted and consolidated over time an articulated compendium of rules and procedures for the correct management of corporate information, in compliance with the regulations applicable to the various types of data.

In particular, the Company has approved the following procedures: (i) the procedure for public disclosure of inside information; (ii) the procedure for registering persons with access to inside information and (ii) the *Internal Dealing* procedure, already adopted by the Board of Directors on 30 March 2016 and updated on 13 January 2021.

A copy of the procedures is available on the Issuer's website www.abitareinspa.com, in the “Corporate Governance” section.

The Procedure for the disclosure of inside information is aimed at governing, in accordance with Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and the related delegated and executive regulations (the “MAR Rules”), the management and processing of inside information, as well as the procedures to be followed for the disclosure, both inside and outside the company, of inside information.

The procedure relating to the keeping of the insider register is aimed at governing, pursuant to the MAR Rules, the establishment and management of the register of persons who, by virtue of their work or professional activity, or the functions performed, have access to inside information on an occasional or regular basis.

The Internal Dealing procedure is aimed at regulating the disclosure obligations vis-à-vis Consob, the Issuer and the public and the methods of conduct associated with the fulfilment by persons exercising administrative, control or management functions within the Issuer and by persons closely linked to them (as identified by Article 19 of Regulation (EU) 596/2014) of transactions involving financial instruments issued by the Issuer.

6. Committes within the board (pursuant to Art. 123-*bis*, paragraph 2, letter d) of the Consolidated Law on Finance)

The committees represent an articulation of the Board of Directors with advisory and propositional purposes, as they are aimed at improving the Board of Directors' functionality and strategic policy-making capacity.

On 13 January 2021 and with effect from the start of trading of the Company's shares on the Euronext Milan market, the Board of Directors established an internal Remuneration Committee, consisting of three independent directors.

On 19 September 2022 the Board of Directors established an internal Risk Control and Sustainability Committee.

The distribution of functions between the various committees takes place in accordance with the provisions of the Corporate Governance Code.

It should also be noted that, in accordance with the provisions of Consob Third-Parties Regulation and Art. 2.1 of the Related-Party Transaction Procedure, the Related party Committee automatically consists of the three independent directors Mario Benito Mazzoleni, Giuseppe Vegas and Nicla Picchi, so it is not necessary, therefore, for the Board of Directors to adopt a specific resolution for their appointment (see paragraph 10.0 of this Report).

The Board of Directors did not consider it necessary to set up an Appointments Committee; this is mainly in consideration of the Company's structure and size, also due to its ownership structure, as well as the list voting mechanism provided for in the Articles of Association, which ensures a transparent appointment procedure and a balanced composition of the administrative body.

On 13 January 2021, the Board of Directors approved (i) the Regulation of the Remuneration Committee and (ii) on 19 September 2022, the Regulation of the Risk Control and Sustainability Committee.

As of the Report Date, no committees other than those recommended by the Corporate Governance Code have been established.

Additional committees (other than those required by law or recommended by the code

As of the date of the Report, the Company has not established any committees, other than those required by law or recommended by the Corporate Governance Code.

7. Self-assessment and succession of directors - appointments committee

7.1 Self-assessment and succession of directors

The Board of Directors periodically evaluates – at least every three years in view of its renewal – the effectiveness of its activities and the contribution brought by its individual components. This self-assessment focuses on the size, composition, and actual functioning of the Board of Directors and its Committees, considering the role it has played in defining strategies and monitoring management performance, as well as the adequacy of the internal control system and risk management.

In accordance with Principle XIV of the Corporate Governance Code, the Board conducted a self-assessment using a dedicated questionnaire divided into different areas of investigation, allowing for comments and suggestions. This evaluation process pertained to the size, composition (including the number and role of independent directors), and functioning of the Board and its committees. The results were presented during the meeting held on November 14, 2023. The questionnaire was sent to and completed by all Directors.

Following the self-assessment, the Board considered itself capable of fulfilling the functions assigned by current regulations. It found that the size, composition, and functioning of the Board and its committees are adequate concerning the managerial and organizational needs of the Company. This assessment also took into account the professional characteristics and experience of its members. Among a total of 6 members, having 4 non-executive directors, including 3 independent directors, was deemed to provide an appropriate composition for the committees within the Board. In anticipation of the renewal of corporate bodies by the Shareholders' Meeting scheduled for January 23, 2024, the outgoing Board of Directors formulated its perspective on the composition of the new administrative body. This perspective was made public on November 14, 2023, before the announcement of the Shareholders' Meeting called to deliberate on the renewal of the Board.

Regarding the opportunity to entrust an external and independent entity with the process of evaluating the administrative body, the Company chose not to do so, considering its specific characteristics in terms of size, turnover, and the relatively small scale of the administrative body. It is worth noting that the Code suggests such recourse to a consultant as an option rather than an obligation.

Succession Plans

In accordance with the provisions of Recommendation 24 of the Corporate Governance Code, the Company - as it does not fall within the definition of a 'large' company - has decided not to have a succession plan for the chief executive officer and executive directors, in case of early termination of office, nor has it adopted procedures for the succession of top management.

7.2 Appointments committee

The Board of Directors does not deem it necessary to establish an internal Appointments Committee; this is mainly in consideration of the structure and size of the Company, also in view of its ownership structure, as well as the mechanism of voting by lists provided for in the Articles of Association, which ensures a transparent appointment procedure and a balanced composition of the management body.

8. Remuneration of the board members - remuneration committee

8.1 Directors' remuneration

Remuneration policy

The information on the remuneration of Directors and executives with strategic responsibilities, including that required by Article 123-bis, paragraph 1, letter i), is contained in the report on remuneration policy and compensation paid, to which reference is made, drafted pursuant to Articles 123-ter of the Consolidated Law on Finance and 84-quater of the Consob Issuers' Regulations as well as in compliance with the recommendations of the Corporate Governance Code, available to the public on the Company's website www.abitareinspa.com, section "Corporate Governance", and with the other methods provided for by current regulations.

8.2 Remuneration committee

On 13 January 2021 and with effect from the start of trading of the Company's shares on the Euronext Milan market, the Board of Directors established an internal Remuneration Committee, consisting of three non-executive directors, two of which are independent.

Composition and operation of the Remuneration Committee

The committee is composed of the independent directors, Mario Benito Mazzoleni, Giuseppe Vegas and Nicla Picchi.

No Director shall take part in the meetings of the remuneration committee in which proposals are formulated to the Board of Directors relating to his/her remuneration.

The Remuneration Committee is chaired by Nicla Picchi.

All three members of the Remuneration Committee have adequate knowledge and experience in financial matters or remuneration policies, as assessed by the Board of Directors at the time of their appointment.

The Chairperson coordinates the work of the Remuneration Committee, whose meetings are regularly minuted.

During the fiscal year, the Remuneration Committee convened twice. The attendance percentage of the Remuneration Whiche members in these meetings was as follows: Mario Benito Mazzoleni attended 100%; Giuseppe Vegas attended 100%; Nicla Picchi attended 100%. On average, the meetings of the Remuneration Whiche lasted about 1 hour. For the current fiscal year, 2 meetings of the Remuneration Whiche were scheduled, one of whichh had already taken place on December 11, 2023, as of the date of this report.

Role of the Remuneration Committee

The Remuneration Committee is an advisory and propositional body with the main task of formulating proposals to the Board of Directors for the definition of the remuneration policy for directors and key managers

The establishment of this committee guarantees the fullest information and transparency regarding the remuneration payable to the Chief Executive Officer and the executive directors in charge of specific functions, as well as on the respective methods of determination.

However, it is understood that, in accordance with Article 2389, paragraph 3, of the Civil Code, the Remuneration Committee only performs proposal-making functions, while the power to determine the remuneration of directors vested with special offices shall in any case remain with the Board of Directors, having heard the opinion of the Board of Statutory Auditors.

The Remuneration Committee performs the following tasks:

a) assisting the Board of Directors in drafting the remuneration policy;
b) submitting proposals or issuing opinions on the remuneration of executive directors and other directors who hold special offices as well as on the setting of performance objectives related to the variable component of that remuneration;
c) monitoring the effective application of the remuneration policy and verifying, in particular, the actual achievement of the performance objectives;
d) periodically assessing the adequacy and overall consistency of the remuneration policy for directors and top management.

The composition, tasks and operation of the Remuneration Committee are governed by the rules of the committee approved by the Board of Directors on 13 January 2021.

In the performance of their duties, the members of the Remuneration Committee have the right to access the information and corporate functions necessary for the performance of their duties, as well as to avail themselves of external consultants, within the budget limits approved by the Board of Directors. If the Remuneration Committee makes use of the services of an external consultant to obtain information on market practices regarding remuneration policies, it shall verify in advance that he/she is not in a position to compromise the Committee’s independence of judgement.

The Remuneration Committee has been allocated a specific budget by the Board of Directors.

9. Internal control and risk management system (ICRMS) -control risk and sustainability committee

Introduction

The risk management system should not be considered separately from the internal control system in relation to the financial reporting process; in fact, both constitute elements of the same system and are aimed at ensuring the reliability, accuracy and timeliness of financial reporting.

The ICRMS of the Issuer and its subsidiaries consists of the set of rules, procedures and organisational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks that may compromise the ability to implement strategies and achieve corporate objectives. The head of the Internal Audit function is responsible for verifying the functionality, adequacy and consistency of the ICRMS with the guidelines.

The ICRMS also responds to the need to guarantee the safeguarding of the company's assets, the efficiency and effectiveness of company operations, the reliability of financial reporting, compliance with laws and regulations, as well as with the company's bylaws and internal procedures, in order to safeguard sound and efficient management.

The ICRMS also includes:

- the specific statutory provisions and internal regulations on the allocation of powers and delegation of responsibilities;
- the system of delegated powers, procedures and risk areas mapped out in the organisational model pursuant to Legislative Decree 231/2001;
- the objectives and methodologies for risk assessment and the provisions on the administrative, accounting and financial system;
- the Risk Management system, which aims to identify, measure, manage and monitor the Group's main risks, and which also makes it possible to establish the degree of compatibility of these risks with a management of the business consistent with the identified strategic objectives.

The main references on which AbitareIn's ICRMS is based are the following:

- Corporate Governance Code;
- Enterprise Risk Management (ERM) and
- Co.So Framework.

The internal control and risk management system involves, each within its own sphere of competence:

- the Board of Directors, which sets the guidelines and assesses the adequacy of the internal control and risk management system;
- the Control, Risks and Sustainability Committee, with the tasks, described in section 9.2 below, of supporting, with adequate preliminary and propositional activity, the Board of Directors' assessments and decisions relating to the system, as well as those relating to the approval of periodic financial reports
- the Chief Executive Officer, with the duties, specified in detail in paragraph 9.1 below, of identifying the main corporate risks and submitting them periodically to the examination of the Board of Directors. The same is called upon to implement the guidelines defined by the Board of Directors on the subject of risks, reporting to the Risk Control and Sustainability Committee on problems and critical issues that have emerged in the performance of its activities or of which it has otherwise become aware;

- the head of the Internal Audit Department responsible for verifying that the internal control and risk management system is functional and adequate and consistent with the guidelines, in accordance with the tasks detailed in section 9.3 below;
- the Board of Statutory Auditors, which oversees the effectiveness of the internal control and risk management system.

The ICRMS, in compliance with the applicable reference regulations, the Corporate Governance Code and in coherence with the internal reference framework and national and international best practices in the sector, is based on the following principles:

- Consistency with Strategies and Objectives: the ICRMS contributes to the management of the company aimed at sustainable development, maximisation of value in consistency with corporate objectives, assisting management in making informed decisions in which the main risks are identified, assessed, managed and monitored;
- Risk & Control Based approach: the ICRMS is based on a methodology that anticipates risks, contributing to the taking of informed decisions, as well as to the search for possible opportunities and competitive advantages;
- Integration: the components of the ICRMS are coordinated and interdependent and the system, as a whole, is in turn integrated into the general organisational, administrative and accounting structure, respecting the autonomy and corporate responsibility of the subsidiaries;
- Compliance: the ICRMS is defined in compliance with the applicable regulations, the Corporate Governance Code and in coherence with the general reference framework composed, by way of example, of: Articles of Association, Code of Ethics, Model 231, organisational system, system of powers and proxies and national and international best practices, including Enterprise Risk Management ("ERM");
- -Process approach: the ICRMS is inspired by a process logic, regardless of the location of the relevant activities in the organisational and corporate structure of the Company.

The Risk Management (RM) system is a component of the ICRMS and is implemented by the Board of Directors, the Chief Executive Officer, in order to identify, measure, manage and monitor the Group's main risks, and also to establish the degree to which these risks are compatible with a management of the business consistent with the identified strategic objectives.

In this context, the Company has defined the basis for the implementation and development of a unitary Risk Management system, integrated with the Group's business processes, for the systematic analysis, assessment, management and monitoring of risk within the organisation.

The main objectives of the Risk Management system are:

- to define and appropriately update over time the roles and responsibilities, the risk model and the Risk Management methodology and tools necessary to guarantee effective and timely risk management
- identify all types of risk that may, by their very nature, have an impact on Group Companies
- identify specific containment plans for the risks assessed by the risk owners;
- ensure the proper management and ongoing monitoring of risk by risk owners, directing the implementation of solutions necessary for risk mitigation.

Main characteristics of existing risk management and internal control systems in relation to the financial reporting process

On December 13, 2022, the Risk Control and Sustainability Committee approved the work plan developed by the Head of the Internal Audit function after consulting with the supervisory body and the Chief Executive Officer (the "**Audit Plan**").

On July 12, 2022, the Board of Directors, in its capacity as the Risk Control Committee, endorsed the Enterprise Risk Management ("**ERM**") model. An annual update of the ERM was conducted during the fiscal year.

The ERM aims to integrate risk management activities into the organization's processes and culture, following an approach of gradual implementation and continuous improvement of the process itself.

Operationally, the Company, in line with the principles outlined by the Co.So Framework, manages the Risk Management process through four stages:

- Stage 1 "Risk Assessment": identification, evaluation, and classification of risks.
- Stage 2 "Treatment": identification of responses to risks and implementation of treatment actions.
- Stage 3 "Monitoring": continuous monitoring of risk trends, the status of treatment action implementation, identification of changes and emerging risks, and revision of the risk model.
- Stage 4 "Reporting": quantitative and qualitative reporting of supervised risks for management and the Board, sharing useful information with internal and external stakeholders for risk management purposes.

During the fiscal year, specifically, two assessments were conducted in distinct periods (1st semester and 2nd semester of 2023), leading to subsequent stages of the Risk Management process. Analysis of the gathered data allowed for the identification and evaluation of risks related to the examined areas and their prioritization. This activity resulted in identifying and incorporating a financial risk into the list of key risks, for which suitable measurement tools called Key Risk Indicators (KRIs) were defined.

These activities were conducted through various interviews with the company's management and various functional heads. They helped identify risks with the highest likelihood of occurrence and/or economic impact on the company's operations. From the analysis of these results, the Company identified the so-called "Top Risks." To support the Company in these activities, Protiviti Inc. was engaged.

The internal control system in relation to financial reporting

The internal control and risk management system extends to financial reporting that is an integral part thereof, which is also governed by organisational procedures and provisions that ensure compliance with the general control principles predetermined by the Company (such as the correct segregation of functions, a correct system of proxies and powers of attorney), based on the main reference models and, at the same time, being subject to periodic assessment and review of the control safeguards implemented to minimise corporate risks.

This system consists of the set of internal procedures and tools adopted to enable the achievement of the objectives of reliability, accuracy, trustworthiness and timeliness of financial reporting. With specific reference to the processes relating to the preparation of financial reports, the figures involved are: the Board of Directors, the Chief Executive Officer, the Control, Risk and Sustainability Committee, the head of the Internal Audit function, and the Manager responsible for preparing the Company's financial reports.

On 13 January 2021, following the favourable opinion of the Board of Statutory Auditors, the Board of Directors also approved a specific memorandum on the Company's management control and reporting system (see paragraph 4.3 of this Report).

9.1 Chief Executive Officer

On 13 January 2021, the Board of Directors also appointed the Managing Director Marco Claudio Grillo, as the Chief Executive Officer, tasked with establishing and maintaining the internal control and risk management system, starting from the date on which the trading of the Company's shares on the Euronext Milan market was launched.

The Chief Executive Officer is responsible for:

- managing the identification of the main corporate risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, submitting them periodically for examination by the Board of Directors;
- implementing the guidelines defined by the Board of Directors, overseeing the planning, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness, as well as ensuring its adaptation to the dynamics of operating conditions and the general legislative and regulatory framework;
- entrusting the Internal Audit function with the performance of audits on specific operating areas and on their compliance with internal rules and procedures in the execution of corporate transactions, while concurrently informing the Chairman of the Board of Directors, the chairman of the Control Risk and Sustainability Committee (where established) and the Chairman of the Board of Statutory Auditors;
- promptly reporting to the Control Risk and Sustainability Committee (or to the Board of Directors) any problems and critical issues that have arisen during the performance of its activity or of which it has been informed in order for the committee (or the Board) to take the appropriate initiatives.

During the Year, the Chief Executive Officer initiated the following activities:

- the implementation of an internal control and risk management system in accordance with Article 6 of the CG Code, following the Enterprise Risk Management (ERM) guidelines;
- the introduction of a corporate procedure applied to all Group companies, in order to indicate guidelines for the identification, assessment and possible treatment of relevant risks and opportunities, with the aim of: (i) promoting the dissemination of risk management in corporate processes, to ensure consistency in methodologies and tools for risk management and control; (ii) developing a common language and disseminating an adequate risk management culture; (iii) providing a homogeneous approach for the identification of events that may affect the company's business; (iv) ensuring the performance of activities by coordinating risk owners and other actors involved in the process;
- carrying out risk assessment activities that confirmed the methodological framework of the company procedure and the Risk Model adopted, which, taking into account the characteristics of the activities performed by the company and its subsidiaries, identifies risks in four macro-categories: (i) strategic risks, related to company strategies aimed at obtaining a competitive advantage consistent with the objectives set forth in the business plan; (ii) operational risks, related to the organisational structure, control processes and Group information systems (iii) financial risks, related to the sector in which the Company operates and the business model with which it operates in order to achieve the objectives of the business plan; (iv) compliance risks, related to the possibility of incurring judicial or administrative sanctions, significant financial losses or reputational damage as a result of violations of mandatory rules (of law or regulations) or self-regulation;
- the identification, within the aforementioned macrocategories, by each Group risk owner, with the support of the internal legal function, for the areas within its competence, of the inherent risks and the treatment strategies for mitigating the risks identified. Through this process, corporate risks were identified, assessed and prioritised according to the risk matrix defined in the Enterprise Risk Management (ERM) procedure. The corporate procedure, containing the Risk Model and the risk assessment matrix was approved by the Chief Executive Officer of the Company and shared with the Control Risk and Sustainability Committee;

- the sharing with the Internal Audit function of the report of the audit activities carried out during 2022 as per the Audit Plan and the in-depth activities to be initiated for the year 2023;
- the execution, for the purposes of the Enterprise Risk Management process, of a series of meetings with the identified risk owners.

In the performance of his duties, the Chief Executive Officer has so far not encountered any critical issues that need to be brought to the attention of the Board of Directors and the Control Risk and Sustainability Committee (once it has been established), and he keeps the latter up-to-date on the relevant developments.

9.2 Control risk and sustainability committee

On 19 September 2022, the Board of Directors established an internal Audit, Risk Management and Sustainability Committee (the Control, Risk and Sustainability Committee) composed of three non-executive directors, two of whom are independent.

Composition and functioning of the Control, Risk and Sustainability Committee

The Control, Risk and Sustainability Committee is composed of the two independent directors Mario Benito Mazzoleni and Nicla Picchi, and the non-executive director Eleonora Reni.

The meetings of the Control, Risk and Sustainability Committee are attended by the Chairman of the Board of Statutory Auditors, who may designate another standing auditor to attend in his stead; however, the other standing auditors may also attend. As a rule, the Head of the Audit Function also attends these meetings. The Committee Chairman may, from time to time, invite other members of the Board of Directors, as well as representatives of corporate functions or third parties, whose presence may be of assistance to the better performance of the Committee's functions, to the Committee's meetings, with reference to individual items on the agenda.

The Chairman of the Control, Risk and Sustainability Committee is the independent director Nicla Picchi.

The meetings of the Control, Risk and Sustainability Committee are chaired by the Chairman or, in case of his absence or impediment, by the oldest member.

During the fiscal year, the Risk Control and Sustainability Committee convened 4 times. All council members had a 100% attendance rate at these meetings. For the ongoing fiscal year, 5 meetings of the Risk Control and Sustainability Committee have been scheduled, one of which was already held on December 5, 2023, as of the Reporting Date.

Functions of the Control, Risk and Sustainability Committee

The Risk Control and Sustainability Committee is responsible for supporting, through appropriate investigative, propositional, and consultative activities, the assessments and decisions of the Board of Directors concerning the internal control system, risk management, and the approval of periodic financial reports.

Within this scope, the Risk Control and Sustainability Committee provides its advance opinion to the Board of Directors on:

a) The guidelines for the internal control system and risk management, ensuring that AbitareIn and its controlled companies' main risks, including those relevant in terms of sustainability in the medium to long term, are correctly identified, measured, managed, and monitored.
b) The compatibility of the risks mentioned in point a) with a business management approach consistent with the identified strategic objectives.
c) An annual assessment of the adequacy of the internal control system and risk management concerning the company's characteristics, risk profile, and the effectiveness of the system.

d) The annual work plan prepared by the Head of the Audit Function, after consultation with the Board of Statutory Auditors and the Chief Executive Officer.
e) The description in the corporate governance report of the main characteristics of the internal control system and risk management, the coordination methods among involved parties, and an evaluation of the system's adequacy.
f) The results presented by the audit firm in any recommendation letters and reports on key issues identified during the audit.
g) Proposals regarding the appointment, dismissal, and remuneration of the Head of the Audit Function, as well as the adequacy of resources allocated to the function for carrying out its responsibilities.

The Risk and Sustainability Control Committee, in assisting the Board of Directors, is also entrusted with the following tasks:

a) Evaluate, after consulting the Manager responsible for drafting corporate accounting documents, the audit firm, and the Board of Statutory Auditors, the correct use of accounting principles and their consistency for the preparation of the consolidated financial statements.
b) Assess the suitability of periodic financial and non-financial information in accurately representing the company's business model, strategies, the impact of its activities, and the achieved performance.
c) Review non-financial periodic information relevant to the internal control system and risk management.
d) Provide opinions on specific aspects related to the identification of primary business risks.
e) e. Examine the periodic reports evaluating the internal control system and risk management, including those of particular relevance prepared by the Audit Function Manager.
f) Monitor the autonomy, adequacy, effectiveness, and efficiency of the Internal Audit function.
g) Report to the Board of Directors, at least semi-annually, on the activities conducted and the adequacy of the internal control system and risk management.
h) Support the Board of Directors, through adequate investigative activity, in assessing and deciding on risk management due to prejudicial facts that have come to the Board's knowledge.
i) Carry out additional tasks assigned by the Board of Directors.

The Risk and Sustainability Control Committee may request the Head of the Audit Function to conduct checks on specific operational areas, providing simultaneous communication to the President of the Board of Statutory Auditors.

Furthermore, the Risk and Sustainability Control Committee supports the Board of Directors in sustainability evaluations and decisions, performing the following tasks:

a) Provide supportive and consultative functions to the Board of Directors concerning sustainability, encompassing processes, initiatives, and activities aimed at ensuring the company's commitment to sustainable development along the value chain.
b) Review the content of non-financial periodic information relevant to the internal control system and risk management.
c) Examine and assess the sustainability policies adopted by the Company to ensure value creation over time for shareholders and other relevant stakeholders in a medium to long-term perspective, respecting sustainable development principles. This includes the guidelines, objectives, sustainability processes, and annual sustainability reporting submitted to the Board of Directors, notably the so-called sustainability report.

The Risk and Sustainability Control Committee has access to the company's information and functions necessary for its duties and can utilize external consultants at the company's expense within the budget approved by the Board of Directors.

The Chairman of the Risk and Sustainability Control Committee reports to the earliest available Board of Directors meeting regarding the Committee's held sessions.

The composition, tasks, and functioning of the Risk and Sustainability Control Committee are regulated in the committee regulations approved by the Board of Directors on September 19, 2022.

During the fiscal year, the Risk and Sustainability Control Committee:

- Contributed to drafting the sustainability report and forming the materiality matrix.
- Reviewed and expressed a favorable opinion on the procedure followed to define the proposal for the annual Audit Plan.
- Evaluated, in conjunction with the individual responsible for drafting accounting and corporate documents, following consultations with the appointed subject of the statutory audit and the Board of Statutory Auditors, the correct use of accounting principles and, concerning controlled companies, their consistency for the preparation of consolidated financial statements.
- Assessed the adequacy of periodic financial and non-financial information to accurately represent the business model, strategies, the impact of the company's activities, and the resulting performance.
- Formulated its evaluations regarding the adequacy of the internal control system and risk management, in line with Article 6, Recommendation No. 35, letter h), of the Corporate Governance Code.
- Reviewed the activities carried out by the Chief Executive Officer, providing initial guidelines on the criteria for assessing corporate risks.
- Examined the periodic reports prepared during the fiscal year by the Head of the Audit Function, inviting the function's head to provide further information.
- Reviewed and expressed a favorable opinion on the guidelines for the Internal Control and Risk Management System (ICRMS).
- Provided guidance, impetus, and monitored the progress of implementing the Group's Enterprise Risk Management (ERM) Model and positively assessed the annual model update.
  Contributed to drafting the corporate governance report concerning the internal control system and risk management.

9.3 Head of the internal audit function

On 13 January 2021 and with effect from the start of trading of the Company's shares on the Euronext Milan market, the Board of Directors established an Internal Audit function, a function responsible for verifying that the internal control and risk management system is operational and adequate. The Board of Directors defined the remuneration of the Head of the Internal Audit function in line with the company's policies and ensured that he would be provided with adequate resources to carry out his duties.

The Board of Directors appointed Mr Cesare Mileto as Head of the Internal Audit function, as required by Art. 6, Recommendation 33 of the Corporate Governance Code.

The duties of the Head of the Internal Audit function are as follows:

a) verifying, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, through an audit plan, approved by the Board of Directors, based on a structured process of analysis and assignment of priorities in relation to the main risks;
b) preparing periodic reports containing adequate information about its own activities, the methods used to manage risks, as well as compliance with the plans established to mitigate risks. The periodic reports contain an assessment on the suitability of the internal control and risk management system;

c) promptly preparing reports on particularly significant events, also at the request of the control body;
d) submitting the periodic reports referred to above to the Chairman of the Control Risk and Sustainability Committee (where established), the Chairman of the Board of Directors, the Chairman of the Board of Statutory Auditors, and the Chief Executive Officer;
e) checking, as part of the audit plan, the reliability of the information systems, including the accounting recognition systems.

The Head of the Internal Audit function is not responsible for any operational area; he reports directly to the Board of Directors and has direct access to all information useful for the performance of his assignment.

According to Recommendation 36 of the Corporate Governance Code, the Head of the Internal Audit Function:

- Has continuously verified the effectiveness and suitability of the internal control system and risk management, both regularly and concerning specific needs, in compliance with international standards. This verification was carried out through an audit plan approved by the Board of Directors, based on a structured process of analysis and prioritization of the main risks.
- Had direct access to all necessary information for carrying out the assignment.
- Prepared periodic reports containing adequate information regarding their activities, how risk management is conducted, and compliance with the defined plans for risk containment. These periodic reports included an assessment of the adequacy of the internal control system and risk management and were transmitted to the Chairman of the Board of Statutory Auditors, the Risk and Sustainability Control Committee, and the Board of Directors, as well as the Managing Director and Chief Executive Officer.
- Promptly prepared reports on particularly relevant events.
- Verified the reliability of information systems, including accounting detection systems, within the scope of the audit plan.

During the fiscal year, the Internal Audit Function conducted or was involved in the following activities:

- Verification activities aligned with the Audit Plan, presented and approved on December 13, 2022. These activities concerned the Group's most significant business processes, such as the procurement process and cybersecurity activities.
- Activities carried out on behalf of the Supervisory Body, as stipulated in the Model 231 adopted by the Company. The Head of the Internal Audit Function reported on the activities conducted during the fiscal year to the Board of Directors on March 16, 2022, as well as to the Board of Statutory Auditors during various periodic meetings.
- Drafting the Audit Plan for the 2024 fiscal year.

During the fiscal year, the Head of the Internal Audit Function had adequate financial resources available for fulfilling their duties. These resources were used not only for planned interventions but also for updating the Model 231.

9.4 Organisational model pursuant to decree 231

The Company has adopted and effectively implements an organizational, management, and control model, which serves as the organizational and managerial tool aimed at preventing the commission of offenses by employees and collaborators of the Company as provided by Legislative Decree 231 (the "**Model 231**").

The oversight responsibilities for the functioning, compliance, effectiveness, and updating of Model 231 have been entrusted by the Company to a supervisory body with a collegiate nature, composed of three members (the "**Supervisory Body**").

On February 13, 2023, the Board of Directors updated Model 231 following the modification of Legislative Decree 231/2001 with Law No. 22 of March 9, 2022, regarding the introduction of crimes against cultural heritage. The Supervisory Body possesses autonomous powers of initiative and control as provided by the Decree.

During the fiscal year, the Supervisory Body held 5 meetings. Model 231 is constantly updated and monitored, with particular attention to crime prevention and risk assessment following regulatory changes. The Company has extended the adoption of Model 231 to its controlled companies.

Model 231 consists of a general part and a specific part, organized into different sections. The general part includes, among other elements, the Code of Ethics, the disciplinary system, and a specific section related to the Supervisory Body. The specific part includes, among other elements, a "mapping" of areas at risk of crime and the principles of control and behavioral guidelines through which safeguards will be implemented to prevent illegal activities in the identified areas.

Model 231 is available on the Company's website www.abitareinspa.com.

The Code of Ethics has also been updated to incorporate the newly introduced regulatory changes and to align with reference best practices.

Composition of the Supervisory Body

The Supervisory Body is responsible for overseeing the functioning and observance of the Model and was established on January 27, 2020. The Board of Directors of AbitareIn S.p.A. appoints the members of the Supervisory Body by resolution, also identifying the President among them. Members of the Supervisory Body are selected from particularly qualified individuals experienced in matters relevant to the Decree, ensuring adequate expertise in accounting, risk assessment, auditing, and legal fields.

The Supervisory Body consists of two external individuals and one internal individual of the Company who does not perform operational functions. The current composition of the Supervisory Body is:

- Angelo Marano, President;
- Giuseppe Leporace, Committee Member;
- Federico Schneble, Committee Member.

The current members of the Supervisory Body were reconfirmed by the Board of Directors on December 13, 2023, for the next three years (i.e., until the approval of the financial statements for the year ended September 30, 2026).

The Board of Directors assessed to continue assigning the functions of the Supervisory Body to the above-indicated members of the body, considering their personal and professional characteristics, experience of some members, their tenure in office, and in-depth knowledge of the Company and the Group.

9.5 Auditing firm

The Company's Ordinary Shareholders' Meeting, on 23 December 2020, with a view to the transfer of the listing of the Company's shares from the Euronext Growth Milan market (formerly AIM Italia) to the Euronext Milan market and the consequent acquisition by the Issuer of the status of a public-interest entity pursuant to Article 16 of Legislative Decree no. 39 of 27 January 2010, as amended, resolved to assign, pursuant to Article 17 of Legislative Decree 39/2010 and Article 16 of Regulation (EU) no. 537/2014, the task of independent auditing of the accounts for the years 2021-2029 to BDO Italia S.p.A., with registered office in Milan, Viale Abruzzi no. 94, VAT no. and registration in the Milan Company Register under no. 07722780697, Economic Administrative Register (REA) no. MI-1977842, entered in the Register of Statutory Auditors and Independent Auditing Firms held at the Italian Ministry of the Economy and Finance under no. 167911 with Ministerial Decree of 15/03/2013 Official Gazette No. 26 of 02/04/2013.

9.6 The manager in charge of preparing the accounting and corporate documents

Pursuant to Article 30 of the Bylaws, the Board of Directors appoints the manager responsible for preparing the company's accounting documents (the "**Financial Reporting Manager**") pursuant to Article 154-bis of the Consolidated Law on Finance, after hearing the opinion of the Board of Statutory Auditors.

The Financial Reporting Manager must meet the requirements of professionalism characterised by qualified experience of at least three years in administration and control activities, or in the performance of managerial or advisory functions, within listed companies and/or related groups of companies, or companies, entities and enterprises of significant size and relevance, also in relation to the function of drafting and control of accounting and corporate documents. The Financial Reporting Manager must also meet the requirements of honourableness laid down for statutory auditors by the laws in force.

On 13 January 2021, the Board of Directors, having also assessed the existence of the requirements set out in the Articles of Association and after obtaining the opinion of the Board of Statutory Auditors, appointed Cristiano Contini as Manager in charge of preparing the accounting and corporate documents pursuant to Art. 154-*bis* of the Consolidated Law on Finance, effective from the start of trading of the Company's shares on the Euronext Milan market.

In accordance with the law, the Manager in charge of financial reporting is responsible for the internal control system for financial reporting. For this purpose, he defines the administrative and accounting procedures aimed at ensuring adequate controls in the preparation of the periodic accounting documentation and any other financial reporting and, together with the CEO, he certifies their effective application in a specific report attached to the separate annual financial statements and half-year reports.

Pursuant to Article 154-bis of the Consolidated Law on Finance, the Manager in Charge of Financial Reporting is responsible for:

- prepare written accompanying statements for the acts and communications of the Company disclosed to the market and relating to accounting information, including interim reports;
- prepare adequate administrative and accounting procedures for the preparation of the annual financial statements and, where applicable, the consolidated financial statements, as well as any other communication of a financial nature; certify with an appropriate report the annual financial statements, the condensed half-yearly financial statements and the consolidated financial statements (a) the adequacy and effective application of administrative and accounting procedures for the preparation of the financial statements; (b) that the documents are prepared in accordance with applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002; (c) that the documents correspond to the results in the accounting books and records; (d) the suitability of the documents to provide a true and fair representation of the assets and liabilities, economic and financial situation of the Issuer and of the group of companies included in the consolidation (e) for the annual financial statements and the consolidated financial statements, that the report on operations includes a reliable analysis of the trend and result of operations, as well as the situation of the Issuer and the set of companies included in the consolidation, together with a description of the main risks and uncertainties to which they are exposed; (f) for the condensed half-yearly financial statements, that the interim report on operations contains a reliable analysis of the information pursuant to Art. 154- ter, paragraph 4, of the Consolidated Law on Finance.

As of the date of the Report, the Company's Board of Directors has not appointed any persons in charge of internal control and risk management other than those described above.

9.7 Coordination among the parties involved in the internal control and risk management system

On 13 January 2021, following the favourable opinion of the Board of Statutory Auditors, the Board of Directors approved a specific memorandum on the Company's management control and reporting system (see paragraph 9 of this Report), which also governs the coordination procedures between the various parties involved in the control system.

Periodic meetings are scheduled, annually, between the parties involved in the internal control and risk management system (Board of Directors, Chief Executive Officer, Control, Risk and Sustainability Committee, Head of Internal Audit, Manager in charge of drafting corporate accounting documents and any other corporate roles and functions with specific tasks in the area of internal control and risk management, Board of Statutory Auditors), in order to verify, each in relation to its specific powers and duties, the adequacy, effectiveness and actual functioning of the internal control and risk management system.

10. Directors' interests and related-party transactions

On 31 March 2016, the Board of Directors adopted a procedure to identify related-party transactions and to ensure transparency and substantive and procedural fairness of such transactions (the "**Related-Party Transaction Procedure**"). On 13 January 2021, the Board of Directors approved the Related-Party Transaction Procedure, also on the basis of the amendments to the Related Parties' Regulation containing provisions on related-party transactions made by Consob Resolution no. 21624 of 10 December 2020, with effect from the start of trading of the Company's shares on the Euronext Milan market.

This procedure is available to the public on the Company's website www.abitareinspa.com.

In particular, under the procedure, a transaction with related parties means "a transfer of resources, services or obligations between a company and a related party, regardless of whether a consideration has been agreed" as defined pursuant to the international accounting standards adopted in accordance with the procedure referred to in Article 6 of Regulation (EC) No 1606/2002.

Prior to the approval of transactions with related parties subject to the rules in the Related Parties' Regulation, a specifically established committee must provide a reasoned, non-binding opinion on the Company's interest in carrying out the transaction, as well as on the economic benefits and substantive correctness of the related conditions.

The Related-party Committee is composed of all the independent directors that may from time to time be in office, without prejudice to the fact that if it is not possible to establish a Related-party Committee in a collegial format, also with a view to its similarity, the Related-party Committee shall be deemed validly established with the presence of just the independent director and with the attendance of one of the equivalent safeguards provided for in the Related-Party Transaction Procedure adopted by the Company: (i) the Chairman of the Board of Statutory Auditors provided that he/she is not, with respect to the specific transaction, a related party; or (ii) the longest-serving standing auditor, provided that he/she is not, with respect to the specific transaction, a related party; or (iii) an independent expert chosen by the Board of Directors from among persons with recognised professionalism and expertise on matters of interest, whose independence and absence of conflicts of interest are assessed.

In order to allow the Related-party Committee to issue its reasoned opinion, the CEO shall provide the Related-party Committee well in advance with complete and adequate information on the specific transaction with related parties. In particular, this information must include at least the indication of the related party, the nature of the relationship, the subject, the consideration envisaged and the other main terms and conditions of the transaction, the expected timing, the reasons underlying the transaction and any risks for the Company and its subsidiaries, as well as, in the case of transactions defined as standard or at arm's length, the objective elements providing evidence in this regard.

The Committee must give its opinion before the final approval of the transaction with related parties by the Board of Directors, if the transaction falls within the remit of the latter, or by the Shareholders' Meeting, if the transaction falls within its purview.

If, in relation to a more significant transaction, the proposed resolution submitted to the Shareholders' Meeting is approved in the presence of a contrary opinion from the Related-party Committee, without prejudice to the provisions of Articles 2368, 2369 and 2373 of the Civil Code, this transaction cannot be carried out if the majority of the unrelated shareholders present at the Shareholders' Meeting, representing a stake of at least 10% of the share capital, casts a vote against the transaction with related parties.

The Related-Party Transaction Procedure provides for framework resolutions which allow the Company to carry out, directly or through its subsidiaries, series of similar transactions with certain categories of related parties, which are identified from time to time by the Board of Directors. Framework resolutions must have effect for no longer than one year and must indicate, with sufficient precision, the transactions that are the subject of the resolutions, the maximum foreseeable amount of the transactions to be carried out in the reference period, and the reasons for the envisaged conditions in relation to such transactions.

At the Date of the Report, except as indicated above with reference to the Related-Party Transaction Procedure, the Board has not adopted specific operational solutions designed to facilitate the identification and adequate management of situations where a director is the holder of an interest on his/her own behalf or on behalf of third parties, bearing in mind that the Board's decisions are taken with adequate transparency and after thorough discussion that enables it to verify any possible conflict of interest or co-interest situation.

In the course of the financial year, as no non-exempt related-party transactions were carried out under the Related-Party Transactions Procedure, no meetings of the Related-Party Transactions Committee were held.

Related-party transactions - preliminary assessment and approval

As a "smaller company" pursuant to Article 3, paragraph 1, letter f), of the Related Parties' Regulation, the Company makes use, in accordance with Article 10 of the Related Parties' Regulation, of the right to apply the procedure established for less significant Related-Party Transactions to more significant Related-Party Transactions, as described below and contained in Article 5 of the Procedure. The Board of Directors of the Company or the competent delegated body approves Related-Party Transactions, subject to a non-binding reasoned opinion of the Related-Party Transaction Committee, on the Company's interest Company's interest in carrying out the transaction, as well as on the economic benefits and substantive correctness of the related conditions.

In order to allow the Related-party Transaction Committee to issue a reasoned opinion on the matter:

(i) the Head of the Function must provide The Company's Secretariat with complete and adequate information well in advance on the Related-Party Transaction. In particular, this information must include the nature of the relationship, the main terms and conditions of the Transaction, the timing, the reasons underlying the Transaction and any risks for the Company and its subsidiaries. The Company's Secretariat sends this information to the Committee; and

(ii) if the Related-Party Transaction Committee deems it necessary or appropriate, it may consult with one or more independent experts of its choice. In selecting experts, one shall use persons with recognised professionalism and expertise in the matters of interest and they will be assessed as to their independence and the absence of conflicts of interest.

The Related-Party Transaction Committee must issue its opinion in time for the approval of the Related-Party Transaction and must promptly provide the body responsible for approving the Related-Party Transaction with adequate information regarding the preliminary assessment conducted on the Transaction to be approved. This information must include at least the nature of the relationship, the terms and conditions of the Transaction, the timing, the assessment procedure followed and the reasons underlying the Transaction, as well as any risks for the Company and its subsidiaries. The Committee must also send the body responsible for approving the Transaction any other opinions issued in relation to the Transaction.

11. Statutory auditors

11.1 Appointment of statutory auditors

The appointment and replacement of members of the Board of Statutory Auditors is governed by Article 24 of the Articles of Association, which establishes the following.

The Board of Statutory Auditors is composed of three standing statutory auditors and two substitute statutory auditors who remain in office for three financial years and end their term of office on the date of the Shareholders' Meeting called to approve the financial statements for the third year of their office, with the powers and obligations set forth by law. Those who are in the conditions referred to in Article 2399 of the Civil Code may not be appointed as statutory auditors and, if appointed, shall be disqualified from office. The Statutory Auditors must meet the requirements of integrity, professionalism and independence and those relating to the limit of number of offices held as specified in the laws and regulations in force from time to time.

The Statutory Auditors are appointed by the Shareholders' Meeting on the basis of lists submitted by the shareholders, according to the following procedures, without prejudice to any other and additional provisions provided for by mandatory legal or regulatory provisions in force from time to time.

The following may submit a list for the appointment of statutory auditors: shareholders who, at the time of submitting a list, hold, individually or jointly, a number of shares at least equal to the same stake determined by Consob pursuant to the applicable legal and regulatory provisions (as at the Date of the Report, this stake with reference to the Company is equal to 4.5% of the share capital as reported by Consob Resolution no. 51 of 14 October 2021), for the purpose of submitting lists for the appointment of the Board of Directors of companies with shares traded on regulated markets (Articles 144-*quater* and 144-*sexies* of Consob resolution no. 11971 of 14 May 1999). The holding of the minimum stake is determined having regard to the shares that are registered in favour of the shareholder on the day on which the list is filed with the Company, without prejudice to the fact that the related certification may also be produced after the list is filed, provided it is within the deadline set for the publication of the list.

The lists are filed at the Company's registered office within the deadlines provided for by the laws and regulations in force from time to time, as indicated in the notice of call at the Company's registered office or by means of remote communication as indicated in the notice of call, and made available to the public within the terms and in the manner provided for by the laws or regulations in force from time to time.

If, on the expiry date of the term for submitting lists, only one list has been filed, or only lists submitted by shareholders that are connected to each other pursuant to the legislation, also of a regulatory nature, in force at the time, further lists may be submitted up to the third day following that date, by shareholders who, upon submission of the list, hold, either alone or jointly, a number of shares at least equal to half of the minimum stake required by the Articles of Association.

Each list must i) contain the names of one or more candidates for the office of standing statutory auditor and one or more candidates for the office of substitute statutory auditor, marked in each section ("standing statutory auditor" section, "substitute statutory auditor" section) with sequential numbers, totalling no more than the members of the body to be appointed and ii) must indicate, where there is a total number of candidates equal to or greater than three, a list of candidates in both sections to ensure that the composition of the Board of Statutory Auditors, for standing members and substitute members, complies with the legal and regulatory provisions in force from time to time, in terms of gender equality, on the understanding that if the application of the gender distribution criterion does not produce a whole number, this must be rounded up to the next higher unit, except in the case where the control body consists of three standing statutory auditors for whom the number shall be rounded down to the lower unit.

The following documents are filed together and simultaneously with each list: (i) the information relating to the identity of the shareholders who submitted them, with an indication of the percentage of total shareholding held; (ii) the statement from shareholders other than those who hold, also jointly, a controlling or relative majority interest, certifying the absence of relationships linking them with the latter in accordance with the applicable regulations; (iii) a CV containing comprehensive information on the personal and professional characteristics of the candidates, as well as a statement from the same candidates attesting that they meet the requirements laid down by law, and accept their candidacy, accompanied by a list of the management and control positions they hold in other companies; (iv) any additional or different statements, disclosures and/or documents required by law and the applicable regulations.

No shareholder, as well as shareholders belonging to the same corporate group and shareholders adhering to a significant shareholders' agreement pursuant to Art. 122 of the Consolidated Law on Finance, may submit or contribute to the submission of more than one list, not even by proxy or through a trust company, or vote for different lists.

Candidates may be included in only one list, under pain of ineligibility.

Any lists submitted without complying with the above provisions shall be considered as not submitted.

If two or more lists have been submitted, one shall proceed with voting on the lists submitted and forming the Board of Statutory Auditors, in accordance with the following provisions:

f) the candidates from the two lists that have obtained the highest number of votes are elected, according to the following criteria: (i) two standing auditors and one substitute auditor shall be drawn from the list that obtained the highest number of votes ("**Majority List for the Board of Statutory Auditors**"), based on the sequential order in which they are ranked in the list; (ii) the third standing auditor ("**Minority Standing Auditor**") and the second substitute auditor ("**Minority Substitute Auditor**") shall be drawn from the second list that obtained the greatest number of votes (based on their sequential order in that list) and that is not connected even indirectly with the shareholders who submitted or with those who voted for the Majority List for the Board of Statutory Auditors pursuant to the applicable provisions; the Minority Standing Auditor shall chair the Board of Statutory Auditors;
g) in the event of a tie between lists, the Shareholders' Meeting shall proceed with a new vote, solely with regard to those lists that have tied, and the list that obtains the highest number of votes shall prevail; in the event of a further tie between the lists that were voted on, the list submitted by shareholders with the greater equity interest or, in the event of equal ownership, by the greater number of shareholders shall prevail and be considered the most voted list pursuant to point (a)(i) above;
h) if, in the manner indicated above, the legal and regulatory provisions in force from time to time regarding gender parity are not complied with, then the last elected candidate (in sequential order) for the office of standing or substitute auditor of the most represented gender in the Majority List for the Board of Statutory Auditors shall be excluded and will be replaced by the next candidate for the office of standing or substitute auditor, drawn from the same list, belonging to the other gender.

If only one list has been submitted, the Shareholders' Meeting expresses its vote on that list and if it obtains the majority of votes, three standing statutory auditors and two substitute auditors are elected as candidates for such offices, in accordance with the legislative and regulatory provisions in force from time to time, also regarding respect for gender equality.

In the absence of lists, or if it is not possible for any reason to proceed with appointing the Board of Statutory Auditors according to the procedures provided for in the Articles of Association, the three standing statutory auditors and the two substitute auditors shall be appointed by the Shareholders' Meeting with the ordinary majorities provided for by law, in accordance with the legal and regulatory provisions, in force from time to time also regarding gender equality, including the rounding up to the next higher unit if the gender distribution criterion is not a whole number.

In the event of any termination of office, for any reason, of a Standing Auditor, without prejudice to compliance with the legal and regulatory provisions in force from time to time with respect to gender equality, one shall proceed as follows: (i) if a standing auditor from the Majority List for the Board of Statutory Auditors ceases to hold office, he/she shall be replaced by the substitute auditor from the Majority List for the Board of Statutory Auditors, (ii) if the Minority Standing Auditor who is also the Chairman of the Board of Statutory Auditors ceases to hold office, he/she shall be replaced by the Minority Substitute Auditor, who shall assume the office of Chairman. If, for any reason, it is not possible to proceed according to the terms indicated above, a Shareholders' Meeting must be called, so that it restores the Board of Statutory Auditors to its proper composition with the ordinary procedures and majorities, without applying the mechanism of voting by lists, without prejudice to compliance with the legal and regulatory provisions in force from time to time on gender equality (male and female).

The Ordinary Shareholders' Meeting shall determine the remuneration to be paid to standing auditors at the time of their appointment.

11.2 Composition and operation (pursuant to Art. 123-*bis*, paragraph 2, letter d) of the Consolidated Law on Finance)

The Board of Statutory Auditors of the Issuer, as of the date of the Report, composed of 5 members (3 standing auditors and 2 substitute auditors), was appointed by the Shareholders' Meeting on 23 December 2020 and will remain in office until the date of the Shareholders' Meeting called to approve the financial statements at 30 September 2023.

Since a single list was submitted by Luigi Francesco Gozzini- holder of a 23.21% stake in the entire share capital of the Company - on the occasion of the renewal of the corporate offices, the members of the Board of Statutory Auditors were drawn in full from that list, according to the legal majorities required for the ordinary shareholders' meeting, as provided for by the Issuer's Articles of Association. Specifically, the list was approved by the Shareholders' Meeting with the favourable vote of 1,157,638 voting shares, representing 100% of the share capital present at the Meeting; no shares abstained or did not vote.

During the year, the Board of Statutory Auditors held 6 meetings. The meetings of the Board of Statutory Auditors lasted an average of 3.4 hours and the percentage attendance at these meetings by the members of the Board of Statutory Auditors was as follows: Ivano Passoni = 100%; Marco Dorizzi = 100%; and Matteo Ceravolo = 100%.

For the current financial year 6 meetings have been scheduled of which 1 has already been held.

The members of the Board of Statutory Auditors in office as at the Date of the Report are shown in Table 3 attached (which summarises the information relating to: year of birth, seniority of service since the first appointment, date of appointment and duration of office, qualification and independence (if appropriate), positions held and attendance at meetings of the Board of Directors and its committees), and also in the following notes (indicating the personal and professional characteristics of the statutory auditors).

Ivano Passoni – Chairman of the Board of Statutory Auditors

Born in Monza on 27 June 1966, a degree in Economics and Business, a Chartered Accountant and Auditor; he has practised in Milan and Monza since 1991 and gained significant experience in corporate, tax, internal and international matters; management control and company valuation. He has participated and participates in boards of directors, boards of statutory auditors and supervisory bodies of both private and publicly controlled companies and entities. He carries out conference activities and is teaching at the Training course of the Order of Chartered Accountants to which he belongs.

Marco Dorizzi – Standing statutory auditor

Born in Milan on 20 January 1961, he graduated in Business Economics, geared towards “professional practice”, at the Luigi Bocconi University in Milan. A Chartered Accountant since 1988, he has practised in the field of company valuation and tax, bankruptcy and corporate consultancy, with particular reference to extraordinary merger, demerger and transfer transactions. He has gained significant experience in insolvency and real estate enforcement proceedings, having held receiverships since 1991 and since 2007 he has been acting as sales agent for the Court of Milan. He is a member of the National Commission of Chartered Accountants for studying arbitration, giving papers at a number of conferences on international arbitration.

Matteo Ceravolo – Standing statutory auditor

Born in Città di Castello (PG) on 11 May 1974; he graduated in Business Economics at the Cattolica University of Milan in 1998. From 1999 to 2001, Matteo worked at KPMG as a Senior Auditor in the Audit and Transaction Service department. In 2001 he won a scholarship as part of the MBA Corporate Finance held by the SDA Bocconi Institute. A Chartered Accountant and Auditor since 2002; he worked until 2004 for Banca Intesa Sanpaolo - Merchant Banking as a private equity associate. Since 2004 he has been an investment manager with AVM Italia, the Italian management company of the Absolute Ventures private equity fund. Matteo is also a senior investment manager of Pegasus Finance, the Italian management company of the private equity fund Abacus Invest and, since 2004, he has been a partner of Pigreco Corporate Finance S.r.l..

Fanny Butera – Substitute statutory auditor

She graduated in Business Administration at the Luigi Bocconi University in Milan, with a thesis on business strategy entitled “Crisis and turnaround of an industrial company”. She practises as a freelance accountant and auditor and was registered in the Monza and Brianza Register of Accountants and Accounting Experts, no. 488/A in 1990, in the Register of Auditors at no. 9003 in 1992, and in the List of Managers for Crisis settlement Bodies in 2016 kept by the Monza and Brianza Association of Chartered Accountants. Her main activities are: company administration, business and corporate consultancy, technical advisory services, legal auditing of accounts, tax litigation, receiverships, judicial receiverships, judicial sales mandates, compulsory liquidations, company reorganisations, audits, successions and donations.

Mariateresa Giangrieco – Substitute statutory auditor

Born in Monza on 4 July 1974, she graduated from Luigi Bocconi University in Milan in 1999, with a degree in Business Economics and Company Legislation. She completed her training and worked as a Chartered Accountant and Auditor at the Pirola Pennuto Zei firm of accountants in Milan. She has acted as an expert in the field Methodologies and quantitative determinations of companies at the Carlo Cattaneo University in Castellanza. She has participated in the preparation of various publications and texts in accounting and tax matters. She was qualified as a Chartered Accountant and Auditor in 2005. She is a member of the Association’s Committee for Relations with the DRE. In 2004 she set up Studio GDM STP SRL with other professionals and acts as a Chartered Accountant and Auditor.

Annex B to this Report indicates the positions of director or statutory auditor held by the current standing Statutory Auditors of the Company in other companies.

The members of the Board of Statutory Auditors are domiciled for service at the registered office of the Issuer. All members of the Board of Statutory Auditors meet the independence requirement pursuant to Art. 148, paragraph 3, of the Consolidated Law on Finance and Art. 2 of the Corporate Governance Code; in particular, the statutory auditors are not linked to the Issuer under freelance contracts or as employees or

other relations of an economic or professional nature. On 13 January 2021, in accordance with Article 2 of the Corporate Governance Code and on the basis of the information provided by each Statutory Auditor, the Board of Directors verified that the members of the Board of Statutory Auditors meet the independence requirements.

All members of the Board of Statutory Auditors are also in possession of the integrity and professionalism requirements laid down by Art. 148 of the Consolidated Law on Finance and the implementing regulation adopted by the Ministry of Justice no. 162/2000 (published in the Official Gazette no. 141 of 19.06.2000). It should be noted that, based on the information provided by the data subjects and the information available to the Issuer, the members of the Board of Statutory Auditors of the Issuer have not held any offices or carried out activities or services for the Issuer directly or indirectly, on an ongoing basis, in the last three years.

Moreover, no member of the Board of Statutory Auditors exceeds, at the Date of the Report, the limits on concurrent management and control offices pursuant to Art. 144-*terdecies* of the Consob Issuers' Regulation and Art. 148-*bis* of the Consolidated Law on Finance.

The Board of Statutory Auditors performs the tasks, activities and has the powers prescribed by law. The Board of Statutory Auditors must meet at least every ninety days. The Board of Statutory Auditors meets at the initiative of any one of the Statutory Auditors. It is validly constituted with the presence of the majority of the auditors and passes resolutions with the favourable vote of the absolute majority of those present.

The Board of Statutory Auditors obtained from the Directors, with due periodicity, information on the general performance and outlook, as well as on the activities carried out and on the most important economic, financial and equity transactions carried out during the year, also through subsidiaries, verifying that they were compliant with the law and the Articles of Association and that they were not manifestly imprudent or risky, in potential conflict of interest, in contrast with the resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the company's assets.

During the meetings of the Board of Directors, in which the Board of Statutory Auditors participates, the Chairman and the Chief Executive Officer are given adequate information on the evolution of the company's business and the regulatory context, in compliance with Article 3, Recommendation 12, letter d) of the Corporate Governance Code (see paragraph 4.2.4. of this Report with reference to the induction programme).

It should be noted that the Board of Statutory Auditors, in carrying out its activities, also coordinated with the head of the internal audit function and the Auditing Firm.

Diversity criteria and policie

It should be noted that the rules that specify that the members of the Board of Statutory Auditors should be divided based on a criterion that ensures gender equality, pursuant to the provisions of Article 148, paragraph 1-*bis* of the Consolidated Law on Finance, have been incorporated into the Articles of Association, which came into force on the date that trading of the Company's shares started on the Euronext Milan market. Therefore, these rules will only apply from the next renewal of the Board of Statutory Auditors.

With reference to the provisions in Art. 123-*bis*, paragraph 2, letter d-*bis*, of the Consolidated Law on Finance, introduced by Legislative Decree 254/2016, which establishes that in the Report on corporate governance and ownership structures, information should be given on the adoption of policies on diversity applied to the composition of the corporate bodies, the Board of Directors has not adopted any policy on diversity for members of the corporate bodies.

Independence

The Board of Statutory Auditors positively verified the independence of its members based on the criteria set forth in Article 2 of the Corporate Governance Code.

In particular, at its meeting of 13 December 2023, it proceeded, applying all the criteria set forth for directors in the Corporate Governance Code and approved by the Board of Directors, to verify the independence of its members, respectively confirming the existence and continued existence of these requirements for each of them.

In accordance with the provisions of Rule Q.1.1 "Self-Assessment of the Board of Statutory Auditors" of the Rules of Conduct for the Board of Statutory Auditors of Listed Companies, the Corporate Governance Code and the regulations in force, the Board of Statutory Auditors proceeded to assess the suitability of the members and the adequate composition of the body, with reference to the requirements of professionalism, competence, honourableness and independence required by the regulations. Moreover, in their declarations of candidacy and acceptance of the office of Statutory Auditor of the Company, all the Statutory Auditors attested (i) the non-existence of causes of ineligibility, forfeiture and incompatibility, (ii) that they meet all the requirements of honourableness, independence and professionalism, required by law and by the Bylaws for the office of Statutory Auditor as a listed company (iii) that they do not hold directorships and auditing positions to an extent equal to or greater than the limits established by the laws and regulations in force; and (iv) that they undertake to promptly notify the Company and, on its behalf, the Board of Directors and the other members of the Board of Statutory Auditors of any changes in the declaration and any grounds for disqualification. With regard to the initiatives promoted by the Chairman of the Board of Directors aimed at providing the Statutory Auditors with adequate knowledge of the business sector in which the Issuer operates, please refer to what has already been illustrated above.

Remuneration

The remuneration of Statutory Auditors is commensurate with the commitment required, the relevance of the role covered as well as the dimensional and sectorial characteristics of the Company.

For all information concerning the remuneration of Statutory Auditors, please refer to the Report on the Remuneration Policy and Remuneration Paid, available on the Company's website www.abitareinspa.com, in the "Investor Relations/Assemblies" section.

Interests management

Pursuant to Article 6, Recommendation 37, of the Corporate Governance Code, the Issuer provides that an Auditor who, on his own behalf or on behalf of third parties, has an interest in a certain transaction of the Company must promptly and fully inform the other members of the same body and the Chairman of the Board of Directors about the nature, terms, origin and extent of his interest.

12. Shareholder relations

Access to information

When the shares were first listed on the Euronext Growth Milan market (formerly AIM Italia), the Issuer set up a special, easily identifiable and accessible section on its website, called “Investors” where information concerning the Issuer that is relevant to its shareholders has been and will be made available, so as to allow the latter to exercise their rights wisely. This section also includes a specific sub-section dedicated to “Corporate Governance” containing extensive documentation.

With reference to the dissemination and storage of regulated information pursuant to Article 113 of the Consolidated Law on Finance, the Company uses an SDIR circuit and storage mechanism.

The Company appointed Eleonora Reni as Investor Relator on 31 March 2016. This appointment was also confirmed by the Board of Directors on 10 December 2020. The Investor Relations function of the Company is responsible for relations with investors, ensuring correct, continuous and complete communications.

The Issuer has always taken steps to provide prompt and easy access to information that is relevant to its shareholders, highlighting, for example, the relative publication on its website.

The Company has decided not to adopt a shareholders' meeting regulation, since it is not deemed necessary in consideration of the size of the Issuer.

Dialogue with shareholders

In accordance with the principles outlined in the Corporate Governance Code, the Issuer promotes dialogue with shareholders and other relevant stakeholders of the Company.

The Shareholders' Meeting represents an opportunity for interaction between shareholders and the Board of Directors, also serving as a means to communicate information about the Company to the shareholders, in compliance with the applicable regulations in force.

On October 24, 2023, the Board of Directors approved the policy for managing dialogue with shareholders and investors. This document aims to establish and maintain a constant and continuous relationship with shareholders, potential investors, and the key stakeholders of the Company. It operates through active listening and dialogue methods based on principles of fairness and transparency, while adhering to national and European legislation, especially focusing on the principle of equal treatment of shareholders under identical conditions and regulations concerning market abuse.

13. Shareholders’ meetings (pursuant to Art. 123-*bis*, paragraph 1, letter l) and paragraph 2, letter c) of the Consolidated Law on Finance)

The main provisions of the Articles of Association containing the rules governing the Issuer's ordinary and extraordinary shareholders' meetings are listed below. For more information, one should refer to the Articles of Association.

The ordinary and extraordinary Shareholders' Meeting passes resolutions on the matters reserved to it by law and the Articles of Association.

Resolutions that fall within the purview of the Shareholders' Meeting that may be attributed to the management body, pursuant to the Articles of Association, do not cease to be the main responsibility of the Shareholders' Meeting, which retains the power to resolve on such matters. In the event of a conflict between the decisions taken by the Shareholders' Meeting and those taken by the management body, the former shall prevail.

The Shareholders' Meeting is called, within the terms provided for by law, by a notice published on the Company's website and with the other procedures provided for by current laws and regulations. The shareholders' meeting may also be convened away from the registered office, provided it is in Italy.

The Ordinary Shareholders' Meeting shall be called by the management body at least once a year, within a hundred and twenty days of the end of the financial year or, in the cases provided for by Article 2364, paragraph 2, of the Civil Code, within a hundred and eighty days of the end of the financial year, without prejudice to any further term provided for by applicable laws and regulations.

The Ordinary and Extraordinary Shareholders' Meeting is held in single call, pursuant to Article 2369, paragraph 1, of the Civil Code. The Board of Directors may, however, determine, if it deems it appropriate and by expressly indicating it in the notice of call, that the Ordinary Shareholders' Meeting shall be held in two calls and the Extraordinary Shareholders' Meeting in two or three calls, applying the majorities established by legal and regulatory provisions in force from time to time with reference to each of these cases.

The right to attend and vote in the Shareholders' Meeting is governed by the legal and regulatory provisions in force at the time.

The persons entitled to participate in the Shareholders' Meeting, in compliance with the laws and regulations in force, are those persons who are entitled to vote and for whom the Company has received a specific notice through an intermediary authorised to keep the accounts in accordance with the law, based on the evidence of its accounting records relating to the end of the accounting day of the seventh market trading day prior to the date set for the shareholders' meeting on single call, and which was received by the Company within the terms set by law.

Each shareholder with the right to participate may be represented by others by written proxy, delivered to the proxy also by fax or email, or in any case according to the procedures indicated in the notice of call, provided that the origin is ensured by the delegating party. The proxy may be granted for only one Shareholders' Meeting, with effect also for any subsequent calls.

The Ordinary and Extraordinary Shareholders' Meeting may be held with participants in several locations, adjacent or remote, with audio-visual connections, provided that the collegial method and the principles of good faith and equal treatment of shareholders are observed, and in particular provided that:

a) the Chairman of the Shareholders' Meeting, also through the chairman’s office, is in a position to verify the identity and legitimacy of the participants, to conduct the meeting and to verify and announce the results of any votes;
b) the minute-taker is in a position to adequately follow the events of the meeting to be recorded in the minutes;
c) the participants are in a position to take part in the discussions and to vote simultaneously on the items on the agenda, as well as to view, receive or transmit documents;
d) the places with audio-visual connections where the participants can go, and/or the telephone number to be connected to, are indicated in the notice of call (unless it is a Shareholders' Meeting with full membership), if applicable. The meeting is deemed to be held in the place where the Chairman and the minute-taker are present.

The Company may designate, for each Shareholders' Meeting, with indication contained in the notice of call, a party to whom shareholders may confer a proxy with voting instructions on all or some proposals on the agenda, according to the terms and methods provided for by law.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors, or, in the case of his/her absence or renunciation, by the Deputy Chairman if appointed or by a person appointed by the vote of the majority of the share capital represented at the Shareholders' Meeting.

The Shareholders' Meeting appoints a secretary, that does not need to be a shareholder, and, if necessary, one or more tellers, including non-shareholders. The Chairman of the Shareholders' Meeting is responsible for verifying the regular constitution of the Shareholders' Meeting, ascertaining the identity and entitlement of those present, directing and regulating the conduct of the Shareholders' Meeting and ascertaining and announcing voting results. Shareholders' meetings are recorded in minutes drawn up by the secretary and signed by him/her and also by the Chairman. In the cases provided for by law and when the management body or the Chairman of the Shareholders' Meeting deems it appropriate, the minutes are drawn up by a Notary. In this case, the assistance of a secretary is not necessary.

The Ordinary Shareholders' Meeting and the Extraordinary Shareholders' Meeting are constituted in accordance with the law and pass resolutions with the legal majorities.

As specified in Article 8 of the Articles of Association, each share confers the right to cast one vote. The Articles of Association do not provide for shares with multiple voting rights or mechanisms that increase voting rights.

The Board of Directors has not provided for a shareholders' meeting regulation and the conduct of Shareholders' Meetings follows the provisions in current legislation that ensures the proper conduct of Shareholders' Meetings and the execution of the rights of each shareholder, including the right to take the floor on the items under discussion.

During the year, two the Shareholders' Meeting were held, one on 24 January 2023 and one on 14 July 2023, with the intervention of all the Company Directors (exept Nicla Picchi) and all Statutory Auditors.

14. Additional corporate governance practices (pursuant to Art. 123-bis, paragraph 2, letter a), second part, Consolidated Law on Finance)

At the Date of the Report, no additional corporate governance practices had been adopted with respect to those indicated in this Report.

15. Changes from the end of the reporting period

No changes have occurred since the end of the reporting period.

16. Considerations on the letter of 3 december 2021 from the president for corporate governance

Regarding the letter dated January 25, 2023, from the President of the Corporate Governance Committee addressed to the Chairpersons of the Boards of Directors of listed Italian companies, the Board of Directors of AbitareIn has considered the recommendations outlined in the annual communication, as well as the provisions of the Code

Milan, 13 December 2023

The Chairman of the Board of Directors

Luigi Francesco GozziniLuigi Francesco Gozzini

TABLE 1: Information on ownership structures as of the date of 13 December 2022

Share Capital Structure				
	Number of Shares	% of share capital	Listed (indicate the markets) / unlisted	Rights and Obligations
Ordinary shares	26,600,780	100%	Euronext Milan - Euronext STAR Milan segment - managed by Borsa Italiana S.p.A.	See paragraph 2.0, lett. a)
Multiple voting shares	-	-	-	-
Shares with limited voting rights	-	-	-	-
Shares without voting rights	-	-	-	-
Other	-	-	-	-

Other Financial Instruments (attributing the right to subscribe newly-issued shares)				
	Listed (indicate the markets) / unlisted	No. of instruments outstanding	Class of shares servicing the conversion/exercise	No. of shares servicing the conversion/exercise
Convertible bonds	-	-	-	-
Warrants	-	-	-	-

Significant equity investments			
SIGNIFICANT STAKEHOLDINGS			
Declarant	Direct shareholder	% of ordinary share capital	% of voting capital
Luigi Francesco Gozzini	-	22.63%	22.63%
Marco Claudio Grillo	-	17.82%	17.82%
Gaudenzio Roveda	-	10.45%	10.45%

TABLE 2: Structure of the board of directors and committees at the end of the financial year

Board of Directors													
Office	Members	Year of birth	Date of first appointment (*)	Holding office since	Holding office until	List (submitter) (**)	List (M/m) (***)	Executive	Non-executive	Indep. under the Code	Indep. under the Cons. Law on Fin.	No. of other offices held (****)	Attendance (*****)
Chairman and CEO	Luigi Francesco Gozzini	1967	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M		X				0	17/17
CEO •	Marco Claudio Grillo	1968	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M		X				0	17/17
Dir.	Eleonora Reni	1988	23.12.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M			X			0	17/17
Dir. ○	Mario Benito Mazzoleni	1957	17.12.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M			X	X	X	0	14/17
Dir.	Giuseppe Vegas	1973	29.01.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M			X	X	X	0	14/17
Dir.	Nicla Picchi	1960	23.12.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M			X	X	X	2	16/17
DIRECTORS WHO LEFT DURING THE YEAR													
Director	-	-	-	-	-	-	-	-	-	-	-	-	-

N. of meetings during the Fiscal Year: 18

Quorum required for the submission of lists by minorities for the election of one or more members (pursuant to Article 147-ter TUF): 4.5%.

Notes

The symbols indicated below must be entered in the "Office" column:

• This symbol indicates the director responsible for the Internal Control and Risk Management System.

○ This symbol indicates the Lead Independent Director (LID).

(*) Date of first appointment of each director means the date on which the director was appointed for the first time (ever) in the Issuer's Board of Directors.

(**) This column indicates the list from which each director was drawn ("M": majority list; "m": minority list; "BoD": list submitted by the Board of Directors).

(***) This column indicates whether the list from which each director was drawn is 'majority' (indicating 'M') or 'minority' (indicating 'm').

(****) This column shows the number of directorships or auditorships held by the person concerned in other listed or large companies. In the Corporate Governance Report, the offices are indicated in full.

(*****) This column shows the directors' attendance at board meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).

TABLE 3: Board committees structure at the end of the financial year

Board of Directors		Executive Committee (1)		Third-Party Transactions Committee (2)		Control Risk and Sustainability Committee		Remuneration Committee		Appointments Committee (3)	
Position/Qualification	Members	(*)	(**)	(*)	(**)	Position/Qualification	Members	(*)	(**)	(*)	(**)
Chairman and CEO	Luigi Francesco Gozzini										
CEO	Marco Claudio Grillo										
Non-executive and non-independent Director	Eleonora Reni					4/4	M				
Independent Director	Mario Benito Mazzoleni			-	P	4/4	M	2/2	M		
Independent Director	Giuseppe Vegas			-	M			2/2	M		
Independent Director	Nicla Picchi			-	M	4/4	P	2/2	P		
Executive/Non-executive Director – independent ex Consolidated Law of Finance and/or ex Code/non-independent	-	-	-	-	-	-	-	-	-	-	-
General Manager	Marco Luigi Scalvini										
N. of meetings during the Fiscal Year:		-		-		-				-	

Notes

(*) This column shows the directors' participation in committee meetings (indicate the number of meetings attended out of the total number of meetings attended; e.g. 6/8; 8/8 etc.).
(**) This column indicates the title of the director within the committee: 'C': chairman; 'M': member.
(1) As of the Date of the Report, the Company has not established any executive committee.
(2) Pursuant to the provisions of Article 2.1 of the Third-Party Transactions Procedures, the Third-Party Committee is deemed to be automatically constituted in the persons of the three independent directors Mario Benito Mazzoleni, Giuseppe Vegas and Nicla Picchi, thus not requiring the adoption of a specific resolution of appointment by the Board of Directors.
(3) The Board of Directors does not deem it necessary to set up an internal Appointments Committee, as described in Section 7.2 of the Report.

TABLE 4: Structure of the Board of Statutory Auditors

Office	Members	Year of birth	Date of first appointment*	Holding office since	Holding office until	List **	Indep. under the Code	Participation in meetings of the Board of Statutory Auditors ***	No. of other offices ****
Chairman	Ivano Passoni	1966	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	8/8	23
Standing statutory auditor	Marco Dorizzi	1961	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	8/8	15
Standing statutory auditor	Matteo Ceravolo	1974	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	8/8	13
Substitute statutory auditor	Fanny Butera	1962	23.12.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	0/8	8
Substitute statutory auditor	Mariateresa Giangreco	1974	23.12.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	0/8	3
AUDITORS WHO CEASED OFFICE DURING THE FINANCIAL YEAR									
-	-	-	-	-	-	-	-	-	-
Number of meetings held during the financial year: 8									
Indicate the quorum required for the submission of lists by minorities for the election of one or more members (pursuant to Art. 148 of the Consolidated Law on Finance): 4.5%									

Note

(*) Date of first appointment of each Statutory Auditor means the date on which the Statutory Auditor was appointed for the first time (ever) to the Issuer's Board of Statutory Auditors.
** This column indicates the list from which each Statutory Auditor was drawn ("M": majority list; "m": minority list).
*** This column indicates the attendance of statutory auditors at meetings of the Board of Statutory Auditors (indicate the number of meetings attended compared to the total number of meetings which could have been attended, e.g. 6/8; 8/8 etc.).
****This column indicates the number of offices as director or statutory auditor held by the person concerned pursuant to Art. 148-*bis* of the Consolidated Law on Finance and the related implementing provisions contained in the Consob Issuers' Regulation. The complete list of offices is published by Consob on its website pursuant to Article 144-*quinquiesdecies of* the Consob Issuers' Regulation.

ANNEX A - List of current positions held by the members of the Board of Directors

The following table provides information on the administration and control positions held, as of the Report Date, by each member of the Board of Directors in other Group companies and in other companies listed on regulated markets, including foreign markets, as well as in financial, banking, insurance or large companies.

Name and surname	Company	Office
Luigi Francesco Gozzini	TH S.r.l.	Sole Director
	Abitare Development 3 S.r.l.	Sole Director
	MyCity S.r.l.	Sole Director
	Lambrate Twin Palace S.r.l.	Sole Director
	Abitare Development 4 S.r.l.	Sole Director
	Abitare Development 6 S.r.l.	Sole Director
	Savona105 S.r.l.	Sole Director
	Smartcity SIINQ S.r.l.	Sole Director
	Housenow S.r.l.	Sole Director
	TheUnits S.r.l.	Sole Director
	Deametra SIINQ S.r.l.	Sole Director
	Accursio S.r.l.	Sole Director
	CityNow S.r.l.	Sole Director
	Immaginare S.r.l.	Sole Director
	New Tacito s.r.l.	Sole Director
	Edimi S.r.l.	Sole Director
	Just Home S.r.l.	Sole Director
Marco Claudio Grillo	Tecma Solutions S.p.A.	Member of the Board
	Creare S.r.l.	Sole Director
	AbitareIn Maggiolina S.r.l.	Sole Director
	I.E.S. S.p.A.	Member of the Board
	Milano City Village S.r.l.	Sole Director
	Ziro S.r.l.	Sole Director
	Trilogy Towers S.r.l.	Sole Director
	Whitecaps S.r.l.	Sole Director
	Homizy SIIQ S.p.A.	Chairman
	Mivivi S.r.l.	Sole Director
	AbitareIn Development 5 S.r.l.	Sole Director
	GMC Holding S.r.l.	Sole Director
	Porta Naviglio Grande S.r.l.	Sole Director
	Hommi S.r.l.	Sole Director
	Volaplana S.r.l.	Sole Director
	City Zeden S.r.l.	Sole Director
	Hub32 S.r.l.	Sole Director
	Mytime S.r.l.	Sole Director
Nicla Picchi	Sabaf S.p.A.	Member of the Board
Giuseppe Vegas	Reversal SIM	Chairman

ANNEX B - List of current positions held by the standing members of the Board of Statutory Auditors

Information is provided below regarding the offices of director or statutory auditor held by the Company's current standing auditors.

Name and surname	Company	Office
Ivano Passoni	I.R.E. S.r.l.	Sole Director
	Compagnia dei Beni Stabili S.r.l.	Chairman/shareholder
	Fondazione Caritas Ambrosiana	Member of the Board
	Pascarosa Società Semplice	Managing Partner
	Scherma Monza A.S.D.	Auditor
	Corioni S.r.l.	Chairman of the Board of Statutory Auditors
	Epipoli S.p.A.	Chairman of the Board of Statutory Auditors
	Ambrogio Moro S.p.A.	Standing Auditor
	Altea S.p.A.	Member of the Board
	Consulting Team S.r.l.	Member of the Board
	Candy Hoover Group S.r.l.	Standing Auditor
	Candy S.p.A.	Standing Auditor
	Ellisse S.r.l.	Member of the Board
	MMC Milano S.r.l.	Sole director
	Acinque Innovazione S.r.l.	Standing Auditor
	Arco Factor S.p.A.	Standing Auditor
	I.P.A. Industria Porcellane S.p.A.	Standing Auditor
	Mplus Cosmetics S.r.l.	Standing Auditor
	Ripress S.r.l.	Auditor
	Talent Garden S.p.A.	Standing Auditor
	Talent Garden Med S.r.l.	Standing Auditor
	Bunzl Raccolta S.p.A.	Substitute Auditor
	COMM3000 S.p.A.	Substitute Auditor
	Ilcis S.r.l.	Auditor
	Servovalve 1967 S.p.A.	Substitute Auditor

	Taf Abrasivi S.p.A.	Substitute Auditor
Marco Dorizzi	Candy Hoover Group S.r.l.	Standing Auditor
	Homizy SIIQ S.p.A.	Standing Auditor
	Candy S.p.A.	Standing Auditor
	COMM3000 S.p.A.	Chairman of the Board of Statutory Auditors
	RSM Società di revisione organizzazione contabile S.p.A.	Standing Auditor
	MPlus Cosmetics S.r.l.	Chairman of the Board of Statutory Auditors
	Immobiliare di Valle Artogna S.r.l.	Sole director
	I.P.A. Industria Porcellane S.p.A.	Chairman of the Board of Statutory Auditors
	Arco Factor S.p.A.	Chairman of the Board of Statutory Auditors
	Torno S.p.A. in liquidazione	Standing Auditor
	Pacifica S.r.l.	Sole director
	Ellisse S.r.l.	Auditor
	Compagnia dei Beni Stabili S.r.l.	Board Member
	Altea S.p.a.	Substitute Auditor
Matteo Ceravolo	Pigreco Corporate Finance S.r.l.	Board member/shareholder
	Foodness S.p.A.	Board Member
	Red Tractor S.r.l.	Board Member
	Blue Financial Communication S.p.A.	Standing Auditor
	First For Progress S.p.A.	Standing Auditor
	First Capital S.p.A.	Standing Auditor
	Maniva S.p.A	Standing Auditor
	Gequity S.p.A.	Standing Auditor
	TCH S.r.l.	Standing Auditor
	Easten strars S.r.l.	Sole Auditor
	Consonni & Co S.r.l.	Sole Auditor
	First Sicav S.p.A.	Standing Auditor
	Antress S.p.A.	Standing Auditor
	Homizy SIIQ S.p.A.	Standing Auditor

Consolidated Financial Report

AS AT 30 SEPTEMBER 2022

Consolidated Statement of Financial Position

	Note	30.09.2023	Related parties	30.09.2022	Related parties
Property. plant and equipment	1	27,525,067		12,095,616	
Intangible assets	2	2,315,962		1,829,560	
Financial activities	3	184,544		310,968	
Equity investments in other companies	4	2,022,472		4,715,514	
Deferred tax assets	5	2,080,880		2,381,742	
TOTAL NON-CURRENT ASSETS		**34,128,925**		**21,333,400**	
Inventory	6	169,786,314		305,379,872	
Financial receivables	7;26	2,200,000	2,200,000	-	
Financial assets carried at fair value	8	15,220,554		-	
Trade receivables	9;26	808,301	43,879	283,950	
Other current assets	10	23,933,618		13,175,590	
Current tax assets	11	4,126,630		11,335,985	
Cash and cash equivalents	12	28,917,054		32,365,487	
TOTAL CURRENT ASSETS		**244,992,471**		**362,540,884**	
TOTAL ASSETS		**279,121,396**		**383,874,284**	
Share capital		133,004		132,654	
Reserves		50,713,330		51,302,326	
Profit (loss) carried forward		30,710,405		32,743,810	
Profit (loss) for the year		24,289,540		7,892,419	
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		**105,846,279**		**92,071,209**	
Profit and reserves attributable to non-controlling interests		3,808,130		3,936,171	
EQUITY	**13**	**109,654,409**		**96,007,380**	
Non-current financial liabilities	14	73,751,305		130,636,766	
Employee benefits	15	389,915		325,982	
Other non-current liabilities	16;26	335,184	335,184	281,755	281,755
Customer down payments and deposits	17	44,181,101		80,866,928	
Deferred tax liabilities	5	3,316,613		10,434,062	
TOTAL NON-CURRENT LIABILITIES		**121,974,118**		**222,545,493**	
Current financial liabilities	14	11,105,340		17,915,573	
Trade payables	18;26	7,161,139	38,512	23,747,452	22,921
Other current liabilities	19;26	19,188,275	412,250	12,025,471	1,020,271
Customer down payments and deposits	17	3,029,646		11,091,600	
Current tax liabilities	20	7,008,469		541,315	
TOTAL CURRENT LIABILITIES		**47,492,869**		**65,321,411**	
TOTAL LIABILITIES		**169,466,987**		**287,866,904**	
TOTAL LIABILITIES AND EQUITY		**279,121,396**		**383,874,284**	

Consolidated Income Statement

	Note	30.09.2023	Related parties	30.09.2022	Related parties
Revenue from sales	21.1	235,782,923		20,649,915	
Change in inventory for progress of works	21.2	(143,660,275)		79,765,416	
Change in inventory for new sites purchased	21.3	7,550,000		16,866,000	
Other revenue	21.4	16,630,925		4,895,857	
TOTAL REVENUE	**21**	**116,303,573**		**122,177,188**	
Property purchased for redevelopment for sale	22.1	7,550,000		16,866,000	
Property purchased for redevelopment for rental	22.1	12,500,000		-	
Raw materials. consumables. supplies and goods		236,070		56,760	
Services	22.2;26	54,422,105	1,741,989	84,681,295	2,803,296
Rentals and similar		88,483		59,355	
Personnel expenses	22.3;26	3,558,039	200,000	2,440,315	200,000
Depreciation/Amortisation	22.4	1,298,514		1,148,685	
Impairment losses and provisions	22.5;26	1,036,957	43,341	598,047	
Other operating expenses	22.6	2,967,558		1,942,441	
TOTAL OPERATING EXPENSES	**22**	**83,657,726**		**107,792,898**	
EBIT		**32,645,847**		**14,384,290**	
Financial income	23;26	3,125,320	78,597	345,345	
Financial expenses	23	(10,639,789)		(3,493,957)	
EBT		**25,131,378**		**11,235,678**	
Income taxes	24	(969,879)		(3,319,440)	
PROFIT (LOSS) FOR THE YEAR		**24,161,499**		**7,916,238**	
Of which:					
Net profit (loss) attributable to non-controlling interests		(128,041)		23,819	
Net profit (loss) attributable to the owners of the Parent		24,289,540		7,892,419	

Consolidated Comprehensive Income Statement

	Note	30.09.2023	30.09.2022
Profit (loss) for the year		**24,161,499**	**7,916,238**
Other comprehensive income			
That will not be subsequently reclassified in profit or loss for the year			
Employee benefits		(3,535)	104,593
Tax effect		849	(25,102)
Total		**(2,686)**	**79,491**
That will be subsequently reclassified in profit or loss for the year			
Hedging instruments		(126,425)	343,002
Tax effect		30,341	(82,320)
Total		**(96,084)**	**260,682**
Total change in OCI reserve		**(98,770)**	**340,173**
Comprehensive income for the period		**24,062,729**	**8,256,411**
Of which:			
Net profit (loss) attributable to non-controlling interests		**(128,041)**	**23,819**
Net profit (loss) attributable to the owners of the Parent		**24,190,770**	**8,232,592**
Earnings per share	25	0.91	0.31
Diluted earnings per share	25	0.87	0.30

Statement of Changes in Equity

	Share capital	Share premium reserve	Legal reserve	Stock grant reserve	FTA reserve	Treasury stock reserve	Consolidation reserve	OCI reserve	Profit from previous years	Profit for the year	Total	Equity attributable to non-controlling interests	Total
Equity at 1 October 2021	**129,677**	**36,886,372**	**39,651**	**2,379,457**	**280,589**	**-**	**-**	**(91,707)**	**20,552,052**	**12,191,758**	**72,367,849**	**468,661**	**72,836,510**
Profit (loss) for the year										7,892,419	**7,892,419**	23,819	**7,916,238**
Actuarial valuation of TFR								79,491			**79,491**		**79,491**
Hedging derivates valuation								260,682			**260,682**		**260,682**
Stock grant plan				1,733,794							**1,733,794**		**1,733,794**
Capital increase of the parent company	2,977	3,857,429									**3,860,406**		**3,860,406**
Change in scope of consolidation							5,876,568				**5,876,568**	3,443,691	**9,320,259**
Allocation of the profit for the year									12,191,758	(12,191,758)	**-**		**-**
Equity at 30 September 2022	**132,654**	**40,743,801**	**39,651**	**4,113,251**	**280,589**	**-**	**5,876,568**	**248,466**	**32,743,810**	**7,892,419**	**92,071,209**	**3,936,171**	**96,007,380**

	Share capital	Share premium reserve	Legal reserve	Stock grant reserve	FTA reserve	Treasury stock reserve	Consolidation reserve	OCI reserve	Profit from previous years	Profit for the year	Total	Equity attributable to non-controlling interests	Total
Equity at 1 October 2022	**132,654**	**40,743,801**	**39,651**	**4,113,251**	**280,589**	**-**	**5,876,568**	**248,466**	**32,743,810**	**7,892,419**	**92,071,209**	**3,936,171**	**96,007,380**
Profit (loss) for the year										24,289,540	**24,289,540**	(128,041)	**24,161,499**
Actuarial valuation of TFR								(2,686)			**(2,686)**		**(2,686)**
Hedging derivatives valuation								(96,084)			**(96,084)**		**(96,084)**
Purchase of own shares						(1,115,515)					**(1,115,515)**		**(1,115,515)**
Dividend distribution									(9,925,824)		**(9,925,824)**		**(9,925,824)**
Stock grant plan	350	336,687		288,602							**625,639**		**625,639**
Allocation of the profit for the year									7,892,419	(7,892,419)	**-**		-
Equity as at 30 September 2023	**133,004**	**41,080,488**	**39,651**	**4,401,853**	**280,589**	**(1,115,515)**	**5,876,568**	**149,696**	**30,710,405**	**24,289,540**	**105,846,279**	**3,808,130**	**109,654,409**

Consolidated Statement of Cash Flow (indirect method)

	30.09.2023	**30.09.2022**
Operating activities		
Profit (loss) for the year	24,161,499	7,916,238
Income taxes	969,879	3,319,440
Financial income	(2,946,475)	(345,345)
Financial expenses	10,460,944	3,493,957
(Gains)/losses on the sale of companies	-	(5,431)
Net accruals to provisions	1,174,669	705,170
Accrual to stock grant reserve	625,639	1,733,794
Impairment and depreciation/amortisation of property. plant and equipment and intangible assets	1,298,514	1,148,685
Cash flows before changes in net working capital	**35,744,669**	**17,966,508**
Decrease/(increase) in inventory	135,593,558	(95,716,483)
Increase/(decrease) in trade payables	(16,986,314)	12,043,446
Decrease/(increase) in trade receivables	(524,351)	9,493
Change in other current/non-current assets and liabilities	(52,750,732)	19,380,920
Net financial income/expenses collected/paid	(5,845,075)	(3,571,701)
Taxes paid	(282,917)	-
Use of provisions	(88,128)	(48,217)
Cash flows from (used in) operating activities (A)	**94,860,710**	**(49,936,034)**
Investing activities		
Investments in property. plant and equipment	(750,203)	(228,900)
Disposal of property. plant and equipment	-	5,431
Real estate investments	(13,901,522)	(3,223,890)
Investments in other equity investments	(100,000)	-
Investments in intangible assets	(362,367)	(966,917)
Disposal of intangible assets	-	-
Other equity investments	-	-
Sale of company. net of cash and cash equivalents	-	-
Cash flows from (used in) investing activities (B)	**(15,114,092)**	**(4,414,276)**
Financing activities		
Bank loans raised	37,133,034	79,749,269
Bank loan repayments	(101,406,657)	(19,868,868)
Change in current/non-current financial liabilities	(385,359)	(123,554)
Net change in current financial assets	(17,420,554)	-
Investment in own shares	(1,115,515)	-
Share capital increase against consideration	-	13,180,665
Cash flows from (used in) financing activities (C)	**(83,195,051)**	**72,937,512**
Net cash flows in the period (A)+(B)+(C)	**(3,448,433)**	**18,587,202**
Cash and cash equivalents at the beginning of the year	**32,365,487**	**13,778,285**
Increase/(decrease) in cash and cash equivalents from 1 October to 30 September	(3,448,433)	18,587,202
Cash and cash equivalents at the end of the year	**28,917,054**	**32,365,487**

NOTE

to the Consolidated Financial Report

Corporate information

AbitareIn S.p.A. is a joint-stock company incorporated in 2016 in Italy, registered with the Milan Companies Register, with its operational headquarters in Milan, Viale Umbria 36, and its registered office in Milan, Via degli Olivetani 10/12. The Company mainly carries out real estate development activities through its subsidiaries.

Unless otherwise stated, amounts in the financial statements and notes are shown in units of euros. Roundings in the figures contained in the financial statements and notes are made to ensure consistency with the amounts shown in the statement of financial position and income statement. AbitareIn, as the parent company, has also prepared the Group's consolidated financial statements as at 30 September 2023.

Accounting standards and measurement criteria

Basis of presentation

The consolidated financial statements for the year ended 30 September 2023 have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as the measures issued in implementation of Article 9 of Legislative Decree No. 38/2005. IFRSs also include the International Accounting Standards ('IAS') still in force, as well as all interpretative documents issued by the IFRS Interpretation Committee, formerly the International Financial Reporting Interpretations Committee ('IFRIC') and before that the Standing Interpretations Committee ('SIC'). The consolidated financial statements are prepared on a historical cost basis, except for the fair value measurement of certain financial instruments.

These financial statements are based on the going concern assumption.

The publication of these consolidated financial statements of the AbitareIn Group for the year ended 30 September 2022 is authorised by a resolution of the Board of Directors on 13 December 2023.

Financial Statements

The consolidated financial statements of the AbitareIn Group as at 30 September 2023 comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes, prepared in accordance with IFRS.

The statements of financial position present a classification of current and non-current assets and current and non-current liabilities where: (i) non-current assets include asset balances with a normal operating cycle beyond 12 months; (ii) current assets include asset balances with a normal operating cycle within 12 months and cash and cash equivalents; (iii) non-current liabilities include payables due beyond 12 months; (iv) current liabilities include payables due within 12 months.

Finally, the cash flow statement was prepared using the indirect method for determining cash flows from operating activities. Under this method, profit for the year is adjusted for the effects of non-monetary transactions, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with cash flows from investing or financing activities.

Unless otherwise stated, amounts in the consolidated financial statements and the notes thereto are stated in euros. Rounding in the figures in the financial statements and notes is done to ensure consistency with the amounts in the statement of financial position and income statement.

Pursuant to IFRS 8 - information on operating segments is not provided as it is not relevant.

Statement of Amounts in the Consolidated Financial Statements and Notes

Unless otherwise specified, all amounts shown in the consolidated financial statements and in the notes are in Euro. The figures shown in the financial statements and in the notes are rounded up/down to ensure consistency with the figures shown in the statement of financial position and the income statement.

Basis of consolidation

Scope of consolidation

The scope of consolidation includes subsidiaries for which control can be exercised as defined in IFRS 10, which envisages that an investor controls an entity in which it has invested when it has rights that give it the possibility to direct the entity's significant assets, has an exposure, or a right, to receive variable returns from its involvement with the entity and has a real possibility of using its power to influence the amount of its return on investment.

The results of subsidiaries acquired or sold during the financial year are included in the consolidated income statement from the actual acquisition date until the actual sale date. If necessary, adjustments are made to the financial statements of the subsidiaries to align the accounting policies used with those adopted by the Group.

The consolidation of the financial statements of the subsidiaries was carried out according to the line by line consolidation method, assuming the full amount of the assets, liabilities, costs and revenues of the individual companies, regardless of the equity investments held, eliminating the carrying amount of the consolidated equity investments held by the company against the related equity.

The minority shareholders' interest in the net assets of consolidated subsidiaries is identified separately from the Group's equity. This interest is determined at the acquisition date on the basis of the fair value of the minority interest or as a proportion of the current value of the recognised net assets of the acquiree and after that date in changes in equity. The choice of measurement method is made on a transaction-by-transaction basis. Losses attributable to third parties in a consolidated subsidiary may exceed the non-controlling interests in the subsidiary's equity; in such cases non-controlling interests will present a negative balance. The effects of changes in the shareholdings of subsidiaries that do not involve acquisition/loss of control are recorded under changes in equity.

Profits and losses, provided they are significant, not yet realized and deriving from transactions between companies within the scope of consolidation are eliminated, as are all items of significant amount that give rise to payables and receivables, costs and revenues between Group companies. These adjustments, like other consolidation adjustments, take into account the related deferred tax effect, where applicable.

The following companies are included in the scope of consolidation (on a line by line basis):

Subsidiaries	Registered office	Share Capital	% of ownership
AbitareIn Development 3 S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
AbitareIn Development 4 S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
AbitareIn Development 5 S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
AbitareIn Development 6 S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
AbitareIn Development 7 S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
AbitareIn Maggiolina S.r.l.	Milan, via degli Olivetani 10/12	100,000	100%
Accursio S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
City Zeden S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Citynow S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Creare S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Deametra Siinq S.r.l.	Milan, via degli Olivetani 10/12	50,000	70,72%*
Homizy Siiq S.p.A.	Milan, via degli Olivetani 10/12	115,850	70.72%
Hommi S.r.l.	Milan, via degli Olivetani 10/12	10,000	70,72%*
Housenow S.r.l.	Milan, via degli Olivetani 10/12	10,000	70,72%*
Immaginare S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Lambrate Twin Palace S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Milano City Village S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Milano Progetti S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Mivivi S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
MyCity S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Palazzo Naviglio S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Porta Naviglio Grande S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Savona 105 S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Smartcity Siinq S.r.l.	Milan, via degli Olivetani 10/12	50,000	70,72%*
TheUnits S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Trilogy Towers S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Volaplana S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Ziro S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%

* 70,72% owned by AbitareIn S.p.A. through Homizy Siiq S.p.A.

Compared to the previous year, the following company has entered to the consolidation period:

Subsidiaries	Registered office	Share Capital	% of ownership
Costruire In S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
New Tacito S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Edimi S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Hub32 S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
MyTime S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%
Just Home S.r.l.	Milan, via degli Olivetani 10/12	10,000	100%

The subsidiary New Tacito S.r.l. closes the financial year on December 31st, unlike all the other subsidiary companies which close their financial year on September 30th

Compared with the previous year, the following company has left the scope of consolidation as a result of its sale of its entire equity investment to third parties on 31 March 2023:

Subsidiaries	Registered office	Share Capital
Milano Progetti S.r.l.	Milan, via degli Olivetani 10/12	10,000

The subsidiaries prepare their annual financial statements in accordance with the regulations applicable in Italy and Italian GAAP, and it was therefore necessary to carry out a conversion process from these accounting standards to IFRS in order to align them with the Group's accounting standards.

The investment of the associated company Via Bombay No. 1 S.r.l. is valued at equity.

During the year, the acquisition of the investment New Tacito S.r.l. an investment, proprietary of a real estate asset, was carried out under favorable conditions such that, at the time of purchase price allocation, the underlying area was recorded at a value consistent with fair value, amounting to approximately 7 million Euros, supported by appropriate appraisal and consistent with similar transactions. This transaction resulted in a positive impact in consolidated of approximately 6 million Euros.

Assessment Criteria

Revenue Recognition and Inventory

Revenue is recognised to the extent that the economic benefits are realised by the company and the amount can be reliably determined, regardless of the date of receipt. Revenues are measured at the fair value of the consideration to which the entity believes it is entitled in exchange for the transfer of goods or services to the customer, taking into account the agreed contractual terms and commitments

Following the provisions of IFRS 15, paragraph 35, the entity transfers control of the good or service over time upon the occurrence of at least one of the following conditions:

a) the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs;
b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced;
c) the entity’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

In the case at hand, the condition under point c) above is met.

In the foregoing cases, revenue from sales can be recognised according to models based on inputs (e.g. resources consumed, labour hours expended, costs incurred, machine hours used, etc.) or outputs (e.g. surveys of performance completed to date, appraisal of results achieved, time elapsed and number of units produced/delivered).

With regard to the business model currently adopted by the Company, the possible cases are:

a) real estate projects for which the preliminary conveyance agreements have yet to be signed;
b) real estate projects for which, although the preliminary conveyance agreements have been signed, the conditions under the aforementioned paragraph 35 are not met;

c) real estate projects for which the preliminary conveyance agreements have been signed and the conditions under the aforementioned paragraph 35 are met;
d) conveyancing completed after finalising the related final conveyance agreement (by public deed).

In cases a) and b), inventory is recognised at the lower of its purchase price, inclusive of directly attributable ancillary costs, and its estimated realisable value based on market trends. Work in progress has been recognised on the basis of the expenses incurred in the period. Losses on contracts, if any, are recognised in the income statement in the year in which they became known.

Changes in inventory, depending on whether or not the associated real estate development has commenced, are recognised through profit or loss, respectively under "Change in inventory for new sites purchased" or "Change in inventory for progress of works" respectively.

In case c), inventory is measured using the percentage completion method in reference to construction costs (input-based model) and recognising, for pre-sold real estate units (i.e. units for which the prospective buyer has signed a preliminary contract), a portion of the margin expected upon completion of the real estate development. Contractual amendments, that is, any changes to the original stipulations (e.g. price changes for customisation of pre-sold real estate units), are recognised as an adjustment to revenue and, consequently, to the profit margin of the contract, on the date such amendments are approved by the prospective buyer. In addition, when it is likely that total contract costs will exceed contract revenue, the expected loss is recognised in the income statement. The related change is recognised in the income statement under "Change in inventory for progress of works".

In case d), on the date on which the final conveyance agreement takes effect, revenue from the sale is recognised in the income statement under "Revenue from sales and services" and the decrease in inventory is recognised under "Change in inventory for progress of works".

Property, plant and equipment

Property, plant and equipment are initially recognised at purchase or production cost, including other directly at-attributable costs. Interest expense linked to the construction of property, plant and equipment is capitalised and amortised over the residual useful life of the asset to which it refers.

Costs incurred after purchasing the assets and the cost of replacing some parts of this category of assets are capitalised only if they increase the expected future economic benefits of the asset they refer to. All other costs are recognised in profit or loss when incurred. If the cost of replacing some parts of the assets is capitalised, the residual value of the replaced parts is recognised in profit or loss. If significant parts of such assets have different useful lives, such parts are recognised separately in accordance with the component approach.

Items of Property, plant and equipment are carried at cost less any accumulated depreciation and accumulated impairment losses in accordance with IAS 36. Depreciation is calculated on a straight-line basis over the asset's estimated useful life for the company and reviewed yearly. Any changes, where necessary, are applied prospectively. The following main economic-technical rates have been used:

Category	Depreciation rate
Property	3%
Plant and machinery	30%
Furniture and fixtures	10%
Other assets	20%

Intangible assets

These items are initially recognised at purchase and/or production cost, including any directly attributable costs incurred to prepare the asset for use at the place and in the condition necessary for it to be able to function in the manner expected by the company management. Any interest expense accrued during and in relation to the development of other intangible assets is recognised directly through profit or loss. Production costs do not include re-search costs, which are recognised directly through profit or loss in the period in which they are incurred.

Vice-versa, development costs can be capitalised if the following conditions are satisfied: i) the project is clearly identified and the associated costs can be identified and measured reliably; ii) the technical feasibility of the project has been established; iii) there is a clear intention to complete the project and sell the intangible assets generated by the project; iv) a potential market exists or, in the case of internal use, the usefulness of the intangible asset has been established for the production of the intangible assets generated by the project; v) adequate technical and financial resources to complete the project are available.

Intangible assets acquired in business combinations are recognised at their fair value at the date of acquisition if this value can be reliably measured.

Intangible assets acquired in business combinations are recognised at their fair value at the acquisition date, if this value can be reliably determined. Acquired software acquired and related to software are capitalised on the basis of the costs incurred for their acquisition and use. Amortisation is calculated using the straight-line method over their estimated useful lives. Intangible assets with a finite useful life. Intangible assets with a finite useful life are stated net of accumulated amortisation and any impairment losses determined as described in the following section. Intangible assets with finite useful lives are stated net of accumulated amortisation and any impairment losses determined in the manner described in the following section. The main economic-technical rates used are as follows:

Category	Amortisation rate
Development costs	20%
Other assets	20%

Leasing

Starting from 1 January 2019, leases are treated in accordance with IFRS 16, which provides a new definition of lease and introduces a criterion based on the control (right of use) of an asset to distinguish leases from service contracts, identifying as the distinguishing features: the identification of the asset, the right to replace the asset, the right to obtain substantially all the economic benefits from using the asset and the right to direct the use of the as-set underlying the contract.

The standard establishes a single model to recognise and measure leases for the lessee, which requires the recognition of the leased asset, including operating, under assets with a financial liability as balancing entry while also providing the option of not recognising under leases those contracts that relate to low-value assets and the leases with a duration of the contract of 12 months or less.

Based on the provisions of IFRS 16, the accounting representation of the leases payable (which is not the provision of services) takes place through recognising a financial liability in the balance sheet, represented by the current value of the lease payments due for recognising the right of use of the leased business as an asset. Lease payments include fixed payments, net of any incentives to be received, variable payments that depend on an index or rate, initially valued by using the values at the start of the contract, and the exercise price of any purchase option if the Company and/or the Group are reasonably certain of exercising it. The liability calculated in this way is subsequently adjusted over the lease term to reflect the payment of interest on the debt and repayment of the principal amount and may also be remeasured (with a corresponding adjustment to the corresponding right of use) if there is a change in future payments, in the event of renegotiation/amendment of the contractual agreements, or in the event of a change in the case of exercising purchase options. Whereas the right to use the leased asset is amortised over the term of the contract. Therefore, under IFRS 16 lessees are no longer required to distinguish between finance leases and operating leases.

With reference to options:

- the rights of use and the financial liabilities associated with leases are classified in the balance sheet and financial position under the tangible/intangible asset items which the right of use relates to;
- any component relating to the provision of services included in the lease payments is not excluded from IFRS 16;
- leases previously measured as finance leases in accordance with IAS 17 have maintained the values previously recognised, with full continuity with the past.

Impairment of assets

At the end of each year, the Group reviews the carrying amount of its property, plant and equipment and intangible assets to determine whether any impairment of the assets has occurred. If confirmed, the recoverable amount of the assets is estimated to measure any impairment losses.

Equity investments in other companies

Equity investments in companies in which the Group does not hold control or exercise significant influence, general-ly reflecting an investment of less than 20%, are recognised at cost and subsequently measured at fair value. Chang-es in fair value are recognised through profit or loss.

Investments in associates

A related company is an entity over which the Group exercises significant influence. Significant influence refers to the power to participate in the determination of the financial and operating policies of the investee without having control or joint control over it. The considerations made to determine significant influence are similar to those necessary to determine control. The Group's interests in associated companies are assessed using the equity method. Under the equity method, the investment in an associated company is initially recognized at cost. The carrying amount of the investment is increased or decreased to account for the Group's share of the investee's profits or losses realized after the acquisition date. Goodwill related to the associated company is included in the carrying amount of the investment and is not subject to amortization or individual impairment assessment. The statement of income/(loss) reflects the Group's share of the associated company's income for the period. Any changes in other comprehensive income components related to these investments are presented as part of the Group's comprehensive income. Moreover, if an associated company recognizes a change directly in equity, the Group recognizes its applicable share, if any, in the statement of changes in equity. Unrealized gains and losses from transactions between the Group and associated companies are eliminated to the extent of the Group's ownership interest in the associates. The aggregate share of the Group's interest in the associated companies' income for the period is recognized in the statement of income/(loss) after operating profit and represents the result net of taxes and portions attributable to other shareholders of the associates. The financial statements of associated companies are prepared as of the same reporting date as the Group's financial statements. When an associated company has a different reporting date from that of the investor, the difference between the two dates should not

exceed three months in any case. If necessary, the financial statements are adjusted to align with the Group's accounting policies. Following the application of the equity method, the Group assesses whether it is necessary to recognize an impairment loss on its investments in associated companies. At each reporting date, the Group assesses whether there are objective indications that the investments in associated companies have incurred an impairment loss. In such cases, the Group calculates the amount of the loss as the difference between the recoverable amount of the associated company and its carrying value in the Group's financial statements, recognizing this difference in the statement of income/(loss) under “share of associates' results”. Upon the loss of significant influence over an associated company, the Group assesses and recognizes the remaining investment at fair value. The difference between the carrying amount of the investment at the date of the loss of significant influence and the fair value of the remaining investment and consideration received is recognized in the income statement..

Business combinations

Business combinations in which the Group obtains control of a business are recognised in accordance with IFRS 3, applying the acquisition method. In detail, identifiable assets acquired and liabilities and contingent liabilities assumed are recognised at their fair value at the acquisition date, that is, at the date on which control of the business was obtained, exception made for deferred tax assets and liabilities, assets and liabilities linked to employee benefits and assets held for sale, which are recognised in accordance with the applicable accounting standards. Any difference between the consideration transferred in a business combination and the fair value of assets or liabilities is recognised, if positive, as goodwill under intangible assets or, if negative, as income through other comprehensive income, after verifying the correct measurement of the current values of the acquired assets and liabilities and the consideration. If the value of the assets and liabilities of the acquired business is measured on a provisional basis, such operation must be concluded within twelve months after the acquisition date, taking into account only information that relates to facts and circumstances existing at the acquisition date. The recognised provisional values are adjusted retrospectively in the reporting period in which the aforementioned operation is concluded. Other transaction costs are recognised through other comprehensive income when they are incurred.

The consideration transferred in the business combination is equivalent to the fair value at the acquisition date of the assets transferred, the liabilities assumed and the equity instruments issued for the purpose of the acquisition, and also includes any contingent consideration, that is, any portion of the consideration whose amount and payment are dependant on future events. The contingent consideration is recognised on an Acquisition-Date Fair Value basis and any subsequent changes in fair value are recognised through other comprehensive income if the contingent consideration is a financial asset or liability. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

If control is obtained in subsequent stages, the consideration transferred in the business combination is the sum of the fair value of the equity investment previously held in the acquired business and the consideration transferred for the additional equity investment. Any difference between the fair value of the equity investment previously held and its carrying amount is recognised through other comprehensive income. On obtaining control of the business, any amounts previously recognised under other comprehensive income are recognised through other comprehensive income or in another equity item if reclassification through other comprehensive income is not allowed.

Trade and other receivables

Receivables falling due within normal business terms or which accrue interest at market values are not discounted and are recognised at nominal value. Receivables assigned without recourse are derecognised from the statement of financial position insofar as all of the related risks and benefits are substantially transferred to the assignee.

Receivables from customers exclusively for services rendered are recognised when the services have been completely supplied and, thus, when the ensuing right to receive the payment arises. Financial assets other than receivables from customers are recognised at the settlement date. On initial recognition, financial assets of such type are measured at cost, equivalent to the fair value of the instrument, inclusive of directly attributable transaction costs and revenue. Receivables with a due date beyond one year, non-interest bearing or bearing interest below the market rate, are discounted at rates equivalent to the return on instruments that have comparable technical characteristics and risk/yield profiles. Following initial recognition, financial assets of this category are measured at amortised cost. The initial recognition value is therefore adjusted to take into account repayments of principal, any impairment and the amortisation of the difference between the amount repaid and the initial carrying amount. Amortisation is effected at the actual internal interest rate, which is the rate that equalises, at the time of initial recognition, the present value of the expected cash flows and the initial carrying amount (amortised cost method). Vice-versa, trade receivables are measured at historical cost and are not amortised in view of their short due date. If there is objective evidence of impairment, the asset's value is reduced to the discounted value of expected future cash flows. Impairment losses are recognised through profit or loss. The asset's value is reinstated in subsequent periods if the reasons for the impairment no longer apply, up to the value it would have had at amortised cost if no impairment had occurred.

Impairment

IFRS 9 requires the Group to recognise expected credit losses on all items such as loans and trade receivables, with reference to a period of either 12 months or the entire contractual life of the instrument (lifetime expected credit loss). The Company applies the simplified approach and therefore recognises expected losses on all trade receivables on the basis of their residual contractual life. The Group has not seen any material impacts as it does not have receivables.

Cash and cash equivalents

Cash and cash equivalents include cash and bank current accounts and demand deposits and other short-term highly liquid financial investments that can be readily converted to cash and are not exposed to a significant risk of a change in value.

Equity

Share capital

The share capital consists of capital subscribed and paid to the Company. Costs associated exclusively with the issue of new shares are classified as a reduction of the share premium reserve, less the deferred tax effect.

Reserves

Reserves consist of equity reserves for specific uses. They also include the reserve created on the first-time adoption of the international financial reporting standards.

Retained earnings (losses)

These include earnings (losses) of previous years, specifically, the portion not distributed or set aside as reserve (in the case of profits) or not covered (in the case of losses).

Treasury shares

Repurchased treasury shares are recognized at cost and deducted from shareholders' equity. The purchase, sale or cancellation of treasury shares does not give rise to any gain or loss in the income statement. The difference between the purchase value and the consideration, in case of reissuance, is recognized in the share premium reserve. If share options are exercised during the period, they are satisfied with treasury shares.

Share-based payment

The AbitareIn Group grants additional benefits to some executives, employees and consultants, through "Stock Grant" plans. In accordance with IFRS 2 - Share-based payment, the aforesaid transactions are to be considered of the "equity-settled" type. Therefore, the total current value of the Stock Grants at the date on which the individual and/or Group targets are assigned is recognised as a cost in the income statement. Changes in the current value after the grant date do not affect the initial measurement. Remuneration expenses, equating to the current value of shares at the grant date, are recognised as personnel expenses on a straight-line basis over the period between the grant date and the vesting date, with a balancing entry in equity.

Employee benefits

In the context of defined benefit plans, which also include the severance indemnities payable to employees pursuant to art. 2120 of the Italian Civil Code, the amount of benefits payable to employees can only be quantified after termination of employment and is linked to one or more factors, such as age, years of service and salary. Therefore, the related expense is recognised through profit or loss in the relevant period based on an actuarial calculation. The liabilities recognised for defined benefit plans are the present value of the obligation at the reporting date. Obligations for defined benefit plans are measured yearly by an independent actuary using the projected unit credit method. The present value of the defined benefit plan is established by discounting future cash flows at an interest rate equal to that of bonds (high-quality corporate) issued in Euro and that takes into account the length of the related pension plan. Actuarial gains and losses arising from such adjustments and any changes in the actuarial assumptions are recognised through other comprehensive income.

As of 1 January 2007 the Budget Law 2007 and the related implementing decrees have introduced significant changes to the way employee severance indemnities work, including the right of employees to decide who manages the severance indemnities accrued. In detail, employees can now decide to allocate new indemnities accrued to pension schemes or to let the company manage these amounts. If the amounts accrued are transferred to an outside pension scheme, the Company is only subject to the requirement to pay a defined contribution to the chosen pension scheme and, from that date, the newly accrued amounts take the form of defined contribution plans and are no longer subject to actuarial valuation.

Financial assets

The Group classifies financial assets according to the categories identified in IFRS 9:

- financial assets measured at amortised cost.
- financial assets at fair value through other comprehensive income (FVOCI);
- financial assets at fair value through profit or loss for the year (FVTPL).

Financial assets measured at amortised cost

This category includes the financial assets for which the following requirements have been met: i) the asset is held within a business model whose objective is to hold the asset to collect the contractual cash flows; and ii) the contractual terms of the asset provide for cash flows represented solely by payments of the principal and interest on the amount of the principal to be repaid. They mainly consist of receivables from customers and loans. With the exception of trade receivables, which do not contain a significant financial component, other receivables and loans are initially recognised at their fair value. Trade receivables that do not contain a significant financial component are recognised at the price defined for the related transaction (determined in accordance with IFRS 15 Revenue from Contracts with Customers). At the subsequent measurement, the assets belonging to this category are measured at amortised cost, using the effective interest rate. Any allowance for impairment of these receivables is determined by adopting the forward-looking approach through a three-stage model: 1) recognition of the losses expected in the first 12 months at the initial recognition of the receivable, assuming that the credit risk has not increased; 2) recognition of the losses expected over the life of the receivable when the credit risk significantly increased from the initial recognition of the credit; interest is recognised as gross; 3) recognition of additional losses expected over the life of the receivable when the loss occurred; interest is recognised as net (the amortised cost is revised as the Internal Return Rate changes seeing that the cash flows changed due to the occurrence of the trigger event).

Financial assets measured at fair value through other comprehensive income (FVOCI) o offset in the income statement (FVTPL)

Classified in this category are financial assets for which the following requirements are met: i) the asset is held as part of a business model whose objective is achieved both through the collection of contractual cash flows and through the sale of the asset itself; and ii) the contractual terms of the asset provide for cash flows represented solely by payments of principal and interest on the amount of principal to be repaid. Also classified in this category are equity instruments (equity investments in which the Group exercises neither control nor significant influence) for which the Group applies the option granted by the standard to measure these instruments at fair value with an impact on comprehensive income (see in this regard paragraph 4 above). These assets are initially recognized in the balance sheet at their fair value; on subsequent measurement, the valuation made on recognition is restated and any changes in fair value are recognized within Other Comprehensive Income or directly in Profit or Loss. Any write-downs for impairment, interest income, and foreign exchange gains or losses are recognized in Profit or Loss for the year. The Group has opted for fair value measurement with a balancing entry directly in the income statement (FVTPL) for the valuation of financial assets with the exception of investments of con-trolled companies and including tax credits for tax bonuses arising from direct purchases or invoice discounts.

Impairment on financial assets measured at amortised cost

The measurement of impairment losses on financial assets measured at amortised cost is carried out using a model based on the expected losses of receivables. According to this model, financial assets are classified in stage 1, stage 2 or stage 3, according to their credit quality compared to the initial disbursement.

In particular:

- Stage 1: includes i) newly acquired credit exposures, ii) exposures that have not undergone a significant deterioration in credit risk since the initial recognition date and iii) exposures with low credit risk.
- Stage 2: includes credit exposures that, though not impaired, have suffered a significant deterioration in credit risk since the initial recognition date.
- Stage 3: includes impaired credit exposures. For exposures belonging to stage 1, the total value adjustments are equal to the expected loss calculated over a period of up to one year. For exposures belonging to stages 2 or 3, the total adjustments are equal to the expected loss calculated over a time horizon equal to the entire life of the exposure. The criteria for determining the impairment to be made to receivables are based on discounting expected cash flows by principal and interest. For the purposes of calculating the present value of the flows, the fundamental elements include the identification of the estimated collections, their collection dates and the discount rate to be applied. In particular, the amount of the loss is obtained as the difference between the carrying amount and the present value of the estimated cash flows, discounted at the original interest rate of the financial asset. These assets are classified as current assets, except for quotas maturing after more than 12 months, which are included among non-current assets

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce the risk of variability in the interest rate. All derivative financial instruments are measured at fair value.

When the financial instruments have the characteristics to be accounted for under hedge accounting, the following accounting treatment is applied:

- Fair value hedge - If a derivative financial instrument is designated to hedge the exposure to changes in the fair value of an asset or liability attributable to a particular risk that may have an impact on the income statement, the gain or loss deriving from subsequent measurements of the fair value of the hedging instrument is recognised in the income statement. The gain or loss on the hedged item, attributable to the hedged risk, changes the carrying amount of this item and is recognised in the income statement.
- Cash flow hedge - If a derivative financial instrument is designated to hedge the exposure to variability in the future cash flows of an asset or liability recognised in the balance sheet or a highly probable transaction that could have an impact on the income statement, the effective portion of the gains or losses on the derivative financial instrument is recognised as a component of total profit or loss. The cumulative gain or loss is eliminated from equity and recognised in the income statement in the same period when the related economic effect of the transaction being hedged is recognised. The gain or loss associated with a hedge (or part of a hedge) that has become ineffective is recognised in the income statement.

If a hedging instrument or a hedging relationship is closed, but the hedged transaction has not yet taken place, cumulative gains and losses, up to that moment recognised in equity, are recognised in the income statement when the related transaction takes place. If the transaction being hedged is no longer considered likely, the unrealised gains or losses suspended in equity are immediately recognised in the income statement.

If hedge accounting cannot be applied, the gains or losses from the fair value measurement of the derivative financial instrument are immediately recognised in the income statement.

Tax credits for building tax bonuses

Earthquake credits

Earthquake bonus receivables acquired from customers through invoice discount and assignment of the receivable were recorded at acquisition cost. At the close of the financial statements, in the year of acquisition, the value of the receivable was aligned with the fair value desu-mable from the active market (transfer value to financial intermediaries) . The effects on the income statement from this alignment were accounted for in financial management. In the period following initial recognition, the receivable is valued using the amortized cost method.

Ecobonus credits

In the accrual year, ecobonus credits were recorded at fair value inferable from the active market(transfer value to financial intermediaries). The effects on the income statement resulting from this alignment were contabi-lized under other income. In the period following initial recognition, the receivable is valued using the amortized cost method.

Financial liabilities

Financial liabilities are classified, on initial recognition, as financial liabilities at fair value through profit or loss, under mortgages and loans or under derivatives designated as hedging instruments. All financial liabilities are initially recognised at fair value, to which directly attributable transaction costs are added in the case of loans and debt.

The Company's financial liabilities include trade payables, other payables and loans, including financial instruments and derivatives.

After initial recognition, loans are measured at amortised cost using the effective interest rate method. Gains and losses are recognised through profit or loss when the liability is settled, as well as through the amortisation process.

The amortised cost is calculated by recognising the acquisition discount or premium, as well as fees and costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is recognised under financial expenses in the income statement.

Financial liabilities are derecognised when the obligation underlying the liability is settled, cancelled or fulfilled. If an outstanding financial liability is replaced with another of the same lender, at conditions that are substantially different, or where the conditions of an outstanding liability are modified substantially, such replacement or modification is treated as a derecognition of the original liability and a new liability is recognised. Any difference in the carrying amount is recognised through profit or loss.

Provisions for risks and charges

Provisions for risks and charges are costs and charges of an established nature, the existence of which is certain or probable, but whose amount or timing is uncertain at the reporting date. Such provisions are set aside only if there is a present obligation arising from past events, whether deriving from a legal requirement, a contract or from the company's statements or actions that create a valid expectation on the part of the parties involved (obligating events).

Provisions are recognised in the financial statements when the Group has a present obligation arising from a past event and it is probable that it will be asked to fulfil the obligation.

Provisions are based on the best estimate of the costs to be incurred to fulfil the obligation at the reporting date and are discounted when the effect is material.

Income taxes

Income taxes include current and deferred taxes. Income taxes are usually recognised through profit or loss, unless they refer to transactions or events recognised directly in equity.

Income taxes are calculated by applying the tax rate applicable at the reporting date to taxable profit for the period.

Deferred taxes are measured in accordance with the liability method, based on the temporary differences between the carrying amount of the assets and liabilities and the amounts recognised for tax purposes. Deferred taxes are measured at the tax rate that is expected to apply when the asset is realised or the liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable profit will allow the deferred tax asset to be realised.

Deferred tax assets and liabilities are offset only if there is a legally enforceable offset right and when they relate to income taxes levied by the same taxation authority.

Use of estimates

The preparation of financial statements and related notes in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates due to the uncertainty surrounding the assumptions and conditions on which the estimates are based. Therefore, changes in the conditions underlying the judgments, assumptions and estimates adopted may have a material impact on subsequent results. Estimates are used to determine the fair value of investment property, financial instruments and derivative financial instruments. Estimates and assumptions are reviewed periodically by management and, where deemed necessary, are supported by opinions and studies by independent external consultants of high standing (e.g. property appraisals) and the effects of any changes are reflected in the income statement.

Below are the most significant estimates related to the preparation of the financial statements because they involve a high reliance on subjective judgements, assumptions and estimates:

- Valuation of work in progress and revenue recognition: the method adopted is that of the actual cost in relation to the expected cost to finish; this valuation is subject to assumptions, assumptions and estimates on the cost to finish and the related margin.
- During the year, the acquisition of the equity investment in New Tacito S.r.l. was carried out. a shareholding, owner of a real estate property, during the purchase price allocation, the underlying area was recorded at a value consistent with the fair value, supported by a specific appraisal and consistent with similar operations.

- The value of the earthquake bonus credits acquired by customers and of the accrued ecobonus credits has been aligned with the fair value deducible from the active market (value of transfer to financial intermediaries).
- Taxes: income taxes, relating to non-exempt operations only, are estimated based on the forecast of the actual amount that will have to be paid to the tax authorities when filing a tax return; deferred tax assets are accounted for on the basis of income expectations for future years, taking into account the tax regime applicable to the Company, and are determined using the tax rates that are expected to be applicable in the periods in which the temporary differences will be realised or extinguished.
- Medium- and long-term share-based incentive plans: medium- and long-term share-based incentive plans provide that at the end of each accounting period, an estimate of the number of rights that will accrue until maturity is updated. The valuation is made with the help of external experts.

New accounting standards, amendments and interpretations applicable from 1 January 2022

The following IFRS accounting standards, amendments, and interpretations are applicable in the preparation of IFRS financial statements as of 1 January 2022, but did not have an impact in the preparation of these financial statements ended at 30 September 2023.

Amendments to IFRS 3 Business Combinations: the purpose of the amendments is to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without resulting in changes to the provisions of the standard.

Amendments to IAS 16 Property, Plant and Equipment: the purpose of the amendments is to disallow deduction from the cost of property, plant and equipment the amount received from the sale of goods produced in the testing phase of the asset itself. Such sales revenue and related costs will therefore be recognized in the income statement.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that in the estimate on whether a contract is onerous, all costs directly attributable to the contract-to be considered. Accordingly, the assessment on the possible onerousness of a contract includes not only incremental costs (comeaning, for example, the cost of direct material used in processing), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the share of depreciation of machinery im-mployed for the performance of the contract).

Annual Improvements 2018-2020: Amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture, and Illustrative Examples of IFRS 16 Leases.

The amendment had no effect on the consolidated financial statements as at 30 September 2023.

Future effective IFRS accounting standards, amendments and interpretations

With reference to the IFRS standards, approved by the IASB and endorsed for adoption in Europe, whose ob-bligatory effective date is after 1 January 2022, please note the following.

On 12 February 2021, the IASB published two amendments called "Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2" and "Definition of Accounting Estimates - Amendments to IAS 8." The amendments are intended to improve the disclosure of accounting policies in 84 CONSOLIDATED FINANCIAL STATEMENTS so as to provide more useful information to investors and other primary users of financial statements as well as to help companies di-stinguish changes in accounting estimates from changes in accounting policies. The changes will apply as of 1 January 2023, but earlier application is permitted.

On 7 May 2021, the IASB published an amendment called "Amendments to IAS 12 Income Taxes: Deferred Taxes related to Assets and Liabilities arising from a Single Transaction." The document clarifies how deferred taxes on certain transactions that may give rise to assets and liabilities of equal am-ount, such as leases and decommissioning obligations, should be es-accounted for. The changes will apply from 1 January 2023, but earlier application is permitted.

The possible impacts on the Group's consolidated financial statements from the aforementioned amendments are still being assessed, however, the Group has decided not to adopt them early in the consolidated financial statements for the year ended at 30 September 2023

Notes to key items of the statement of financial position

Note 1. Property, plant and equipment

The table below shows the breakdown of the item property, plant and equipment at 30 September 2023 and 30 September 2022.

	30.09.2023	30.09.2022	Change
Property	5,684,521	5,292,748	391,773
Plant and machinery	12,937	22,619	(9,682)
General equipment	27,117	27,766	(649)
Other property. plant and equipment	1,243,927	847,439	396,488
Assets under construction and payments on account	20,556,565	5,905,044	14,651,521
Total	**27,525,067**	**12,095,616**	**15,429,451**

The table below shows changes in Property, plant and equipment at the reporting dates 30 September 2023 and 30 September 2022, by individual asset category.

	Property	Plant and machinery	General equipment	Other property. plant and equipment	Assets under construction	Total property. plant and equipment
Opening balance						
Cost	5,992,818	50,067	34,265	1,432,311	5,905,044	**13,414,505**
Amortisation (accumulated amortisation)	(700,070)	(27,448)	(6,499)	(584,872)	-	**(1,318,889)**
Carrying amount	**5,292,748**	**22,619**	**27,766**	**847,439**	**5,905,044**	**12,095,616**
Changes in the period						
Increases for acquisitions	555,903	-	1,996	592,306	14,651,521	**15,801,726**
Reclassifications (of carrying amount)	-	-	-	-	-	-
Amortisation in the year	(164,130)	(9,682)	(2,645)	(195,818)	-	**(372,275)**
Total changes	**391,773**	**(9,682)**	**(649)**	**396,488**	**14,651,521**	**15,429,451**
Closing balance						
Cost	6,548,721	50,067	36,261	2,024,617	20,556,565	**29,216,231**
Amortisation (accumulated amortisation)	(864,200)	(37,130)	(9,144)	(780,690)	-	**(1,691,164)**
Carrying amount	**5,684,521**	**12,937**	**27,117**	**1,243,927**	**20,556,565**	**27,525,067**

The item "Property" increased exclusively by a total amount of Euro 556 thousand due to the renovation of the offices in Viale Umbria, 32.

The item "Other property, plant and equipment" increased mainly by a total amount of 400 thousand Euro, which refers to the purchase of works of art, by the holding company AbitareIn S.p.A., which will be allocated on loan for use to the various real estate projects. In addition, the item increased by a total amount of 127 thousand euros for the fitting out of the new offices in Viale Umbria, 36

The item "Aassets under construction'' increased exclusively as a result of the investments useful for the realization of the properties intended for lease in the form of co-living in the subsidiaries Smartcity Siinq S.r.l. and Deametra Siinq S.r.l. in the amount of Euro 237 thousand and Euro 14,414 thousand, respectively.

Note 2. Intangible assets

The table below shows the breakdown of the item Intangible assets at 30 September 30 September 2023 and 30 September 2022.

	30.09.2023	30.09.2022	Change
Development costs	919,007	1,182,715	(263,708)
Concessions. licences. trademarks and similar rights	2,290	2,451	(161)
Assets under construction and payments on account	53,504	23,504	30,000
Other intangible assets	1,341,161	620,890	720,271
Total	**2,315,962**	**1,829,560**	**486,402**

The table below shows changes in Intangible assets at the reporting dates 30 September 2023 and 30 September 2022, by individual asset category.

	Developmen t costs	Concessions. licences. trademarks and similar rights	Intangible assets under construction and payments on account	Other intangible assets	Total intangible assets
Opening balance					
Cost	2,755,035	26,152	23,504	1,226,308	**4,030,999**
Amortisation (accumulated amortisation)	(1,572,320)	(23,701)	-	(605,418)	**(2,201,439)**
Carrying amount	**1,182,715**	**2,451**	**23,504**	**620,890**	**1,829,560**
Changes in the period					
Increases for acquisitions	274,565	-	30,000	1,254,103	**1,558,668**
Decreases for disposals	-	-	-	(203,829)	**(203,829)**
Reclassifications (of carrying amount)	-	-	-	-	-
Amortisation in the year	(538,273)	(161)	-	(387,805)	**(926,239)**
Fund use	-	-	-	57,802	**57,802**
Total changes	**(263,708)**	**(161)**	**30,000**	**720,271**	**486,402**
Closing balance					
Cost	3,029,600	26,152	53,504	2,276,582	**5,385,838**
Amortisation (accumulated amortisation)	(2,110,593)	(23,862)	-	(935,421)	**(3,069,876)**
Carrying amount	**919,007**	**2,290**	**53,504**	**1,341,161**	**2,315,962**

The increase in development costs is attributable, in the amount of Euro 275 thousand to the investment made by the Group in relation to the development and integration of the AbitareIn Corporate E-Commerce platform, fully integrated with all business processes, aimed at the sale of houses online and the development and in-tegration of an online apartment configurator. These costs relate to costs for services rendered by third parties. Development co sts incurred by the Group relate to projects that meet the requirements of IAS 38.

In addition, the item "other intangible assets" increased by Euro 1,191 thousand as a result of the recognition of the right of use pertaining to the lease agreement for the new offices at Viale Umbria, 36.

The item "other intangible assets" decreased by Euro 204 thousand due to the termination, in May, pertain-ing to the lease agreement for the offices at Viale Umbria, 36.

Note 3. Financial assets

As at 30 September 2023, this item consisted of the financial assets arising from the mark-to-market valuation of cash flow hedge derivatives entered into by AbitareIn S.p.A. and the subsidiary Porta Naviglio Grande S.r.l.

Note 4. Equity investments in other companies

This item is mainly represented by the shares, amounting to 7.3% of the share capital, held in Tecma Solutions S.p.A., a company listed on Euronext Growth Milan, specializing in Real Estate Business Innovation in the amount of Euro 1,919 thousand.

The book value was reduced by Euro 2,793 thousand due to the impairment generated by the alignment of the book value to the fair value as at 30 September 2023 as the asset is classified as Financial assets measured at fair value through profit or loss (FVTPL). The fair value benchmark was used as the countervalue of listing as at 30 September 2023 of Euro 3.34 per share.

This item also includes a minority stake in the share capital, held in Arras Group S.p.A., a company listed on Euronext Growth Milan PRO, specializing in real estate development in tourist resorts. The company was acquired by subscription in the amount of Euro 100 thousand.

The remaining amount of Euro 3 thousand refers to shares held in Cooperative Credit Bank.

It should be noted that the carrying value of the associated company Via Bombay No. 1 S.r.l. was completely written off for a total value of Euro 24 thousand.

Note 5. Deferred tax assets and liabilities

The net balance of deferred tax assets and liabilities at 30 September 2023 is as follows.

	30.09.2023	30.09.2022	Change
Deferred tax assets	2,080,880	2,381,742	(300,862)
Payables for deferred tax liabilities	(3,316,613)	(10,434,062)	7,117,449
Net position	**(1,235,733)**	**(8,052,320)**	**6,816,587**

This item includes the balance of prepaid and deferred taxes on temporary differences between the carrying amount of an asset or liability and the value for tax purposes of that same asset or liability.

The net change in deferred tax assets and liabilities is as shown below:

	30.09.2022	Recognised in Income Statement	Recognised In Equity	Reclassifications	30.09.2023
ACE	102,501	(74,404)			28,097
Capital increase IAS 32	342,901	(60,556)			282,345
Director's remuneration	252,720	(184,429)			68,291
Unpaid employee bonuses	144,264	(141,184)			3,080
Measurement of work in progress in accordance with IFRS 15	(11,695,349)	8,026,420			(3,668,929)
Leases in accordance with IAS 17	(27,377)	(29,120)			(56,497)
Employee benefits in accordance with IAS 19	(4,460)	(3,878)	849		(7,489)
Derecognition of multi-year costs in accordance with IAS 38	27,699	(77,770)			(50,071)
Provision for risks	-	262,467			262,467
Hedging derivatives valutation	(74,631)		30,341		(44,290)
Tax losses	359,084	(297,468)			61,616
Change in scope consolidation	-	(930)		(96,597)	(97,527)
Inventory adjustment to riflect intercompany mark-up	2,520,328	(537,154)			1,983,174
Total	**(8,052,320)**	**6,881,994**	**31,190**	**(96,597)**	**(1,235,733)**

Note 6. Inventory

The table below shows the breakdown of Inventory at 30 September 2023 and 30 September 2022.

	30.09.2023	30.09.2022	Change
Real estate developments under way	5,874,423	3,356,850	2,517,573
Advances on inventory	145,734,347	298,610,491	(152,876,144)
Finished products	18,177,544	3,412,531	14,765,013
Total	**169,786,314**	**305,379,872**	**(135,593,558)**

	Real estate developments under way	Advances on inventory	Finished products
AbitareIn Development 4 Srl	-	12,514,837	-
AbitareIn Development 5 Srl	-	13,298,841	1,426,601
AbitareIn Development 7 Srl	-	-	320,427
AbitareIn Maggiolina Srl	-	1,717,000	-
Accursio S.r.l.	-	19,018,077	-
City Zeden S.r.l.	170,036	-	-
Citynow S.r.l.	1,132,663	-	-
Immaginare Srl	-	3,421,578	-
Lambrate Twin Palace Srl	-	17,514,596	-
Milano City Village Srl	-	-	2,969,041
Mivivi Srl	4,571,724	-	2,270,975
MyCity Srl	-	10,830,979	-
New Tacito Srl	-	7,027,577	-
Palazzo Naviglio Srl	-	-	3,029,313
Porta Naviglio Grande Srl	-	18,047,965	-
Savona 105 Srl	-	30,843,295	-
TheUnits Srl	-	2,300,957	-
Trilogy Towers Srl	-	-	8,161,187
Volaplana Srl	-	3,527,104	-
Ziro Srl	-	5,671,541	-
Total	**5,874,423**	**145,734,347**	**18,177,544**

The item "Finished Products" mainly refers to apartments completed by the subsidiary Milano City Village S.r.l., Trilogy Towers S.r.l. and Palazzo Naviglio S.r.l. The item "Real estate developments in progress" refers to projects in progress and not yet completed as of 30 September 2023 and includes costs incurred for the acquisition of properties to be developed for a total amount of Euro 84,057 thousand. The duration of the production cycle that characterises the AbitareIn Group's reference sector is influenced by various factors, such as the authorisation process and, in general, relations with the public administration, special requests for customisation by customers and the planning of works. For this reason, the amount of projects that will be realised within 12 months cannot be precisely determined. This item is mainly made up of the stock held by the subsidiary Savona 105 S.r.l. for Euro 30,843 thousand, Accursio S.r.l. for Euro 19,018 thousand, Porta Naviglio Grande S.r.l. for Euro 18,048 thousand and Lambrate Twin Palace S.r.l. for Euro 17,515 thousand.

Advances on inventory refer to suspended costs linked to areas for which a preliminary contract has been signed.

Note 7. Financial receivables

As of 30 September 2023, this item consisted exclusively of an interest-bearing loan con-cured by the holding company AbitareIn S.p.A. to Via Bombay n.1 S.r.l. in which the company holds a 49% interest. Via Bombay No. 1 S.r.l. specializes in the construction of residential and non-residential properties.

Note 8. Financial assets carried at fair value

As of 30 September 2023, this item consists exclusively of the opening of investment lines made by the holding company AbitareIn S.p.A. The carrying amount is generated by aligning the carrying amount to fair value as of 30 September 2023 as the asset is classified as Financial assets measured at fair value through profit or loss (FVTPL). The portfolio of these asset managements includes government securities or bonds of leading companies with a total value of 15,221 thousand euros. The duration of such investi-ments is no longer than 12 months.

Note 9. Trade receivables

Trade receivables amounted to Euro 808 thousand compared to Euro 284 thousand at the end of the previous reporting period. These receivables are recognised net of the provision for bad debts. There are no past due receivables.

Note 10. Other current assets

Other current assets amounted to Euro 23,934 thousand compared to Euro 13,176 thousand at the end of the previous reporting period.

	30.09.2023	30.09.2022	Change
Down payments/deposits on real estate complexes purchased	6,166,130	8,255,930	(2,089,800)
Accrued income and prepaid expenses	4,103,771	3,676,139	427,632
Other current assets	13,663,717	1,243,521	12,420,196
Other current assets	**23,933,618**	**13,175,590**	**10,758,028**

The item " Down payments/purchases of real estate complexes" consists of:

- payment of Euro 1,000 thousand as deposit for the purchase of the real estate complex located in Milan, in the area south of Porta Romana. Finalisation is subject to obtaining the urban plan implementation agreement. The total price agreed upon for the purchase of the 100% stake is Euro 16,000 thousand. The balance of the price will be paid concurrently with the signing of the definitive contact;
- payment of Euro 1,810 thousand as deposit for the purchase of the real estate complex located in Milan, Nolo district. The total consideration agreed upon for the purchase of the real estate complex is Euro 2,700 thousand. The balance of the price will be paid concurrently with the signing of the definitive contact;
- payment of Euro 1,756 thousand as a deposit for the purchase of the real estate complex located in Milan, in the Greco Pirelli area. On 24 November 2023, a preliminary agreement was signed for the sale of the subsidiary City Zeden S.r.l., which holds the above-mentioned preliminary agreement;
- payment of Euro 1,000 thousand as a deposit for the purchase of the real estate complex located in Milan. The total consideration agreed upon for the purchase of the real estate complex is Euro 10,500 thousand. The balance of the price will be paid concurrently with the signing of the definitive contact;

Accrued income and prepaid expenses mainly include:

- assets related to costs incurred for the acquisition of sales contracts, such as commissions, in the amount of Euro 1,238 thousand;
- prepayment of multi-year surety costs totaling Euro 1,465 thousand;
- deferral costs related to posthumous ten-year insurance, provided for in Article 4 paragraph 1 of Legislative Decree No. 122 of June 20, 2005 with reference to Article 1669 of the Civil Code, for a total amount of Euro 814 thousand.

The item "Other current assets" mainly refers to:

- an earthquake bonus receivable acquired through assignment of credit from customers in the total amount of Euro 4,806 thousand and acquired from customers through invoice discounting in the total amount of Euro 5,133 thousand. As of the date of this report, they were realized through assignment to a credit institution in the amount of Euro 3,996 thousand;
- An ecobonus credit in the total amount of Euro 620 thousand;
- Advances to suppliers in the total amount of Euro 750 thousand in order to start co-construction works on the construction sites of TheUnits and Sintesy Palace projects;
- Security deposits totaling Euro 284 thousand for the purchase of building rights that was finalized in October 2023.

Note 11. Current tax assets

Current tax assets amounting to Euro 4,127 thousand, are mainly represented by:

- VAT credit amounting to Euro 3,675 thousand;
- tax credit recognised to Homizy Siiq S.p.A. in the total amount of Euro 351 thousand for the costs aimed at their admission to listing on a regulated market pursuant to Article 1, paragraphs 89 to 92, of Law No. 205 of 27 December 2017;
- Credit for Research and Development carried out by the holding company AbitareIn S.p.A. in the amount of Euro 92 thousand.

Note 12. Cash and cash equivalents

The table below shows the breakdown of cash and cash equivalents at 30 September 2023 and 30 September 2022.

	30.09.2023	30.09.2022	Change
Bank and postal accounts	28,793,599	32,364,996	(3,571,397)
Cash-in-hand and cash equivalents	123,455	491	122,964
Cash and cash equivalents	**28,917,054**	**32,365,487**	**(3,448,433)**

The balance of the item cash and cash equivalents, denominated entirely in euros, represents cash and cash equivalents and the existence of cash and cash equivalents at the closing dates of the financial years.

Cash and cash equivalents as of 30 September 2023 were free of encumbrances or restrictions on use.

Note 13. Equity

Equity increased due to the recognition of the Stock Grant reserve, the change in the OCI reserve and the profit for the period.

The table below shows reconciliation between the parent company's equity and net profit and the consolidated figures at 30 September 2023:

	Profit (loss)	Equity
AbitareIn SpA	**25,968,357**	**77,281,448**
Profit (loss) of subsidiaries	(2,564,791)	(2,564,791)
Intergroup dividends	(600,000)	-
Write-down of subsidiary investments	-	-
Intergroup profits included in the value of inventories net of tax effect	1,388,194	(5,123,300)
Other changes	(30,260)	(3,867)
Difference between carrying amount and their equity	-	40,064,923
Shareholders' equity and profit for the year as reported in the consolidated financial statements	**24,161,499**	**109,654,413**
Shareholders' equity and profit for the year attributable to third parties	**(128,041)**	**3,808,131**
Shareholders' equity and profit for the year attributable to the Group	**24,289,540**	**105,846,282**

Oci reserve

The item in question shows a positive value of Euro 150 thousand (a positive value of Euro 248 thousand at 30 September 2022) and includes:

- the gains/(losses) that will be transferred to the income statement, relative to the cash flow hedge reserve on the hedging derivatives of AbitareIn S.p.A. and Porta Naviglio Grande S.r.l., which show a negative changr of Euro 96 thousand.
- the gains/(losses) that will not be transferred to the income statement relating to the actuarial valuation of the provision for severance pay as required by IAS 19, which show a negative change of Euro 3 thousand

Capital and reserves attributable to non-controlling interests

This item amounted to Euro 3,808 thousand (Euro 3,936 thousand as of 30 September 2022) and mainly refers to the minority interests of the subsidiaries Homizy Siiq S.p.A., Deametra Siinq S.r.l., Smartcity Siinq S.r.l., Hommy S.r.l. and Housenow S.r.l.

Stock Grant

On 31 May 2021, the shareholders' meeting of AbitareIn S.p.A. approved the 1:10 stock split, effective as of 21 June 2021. The same shareholders' meeting also approved the "Stock Grant Plan 2021-2023" for the executive directors of the Company and the Strategic Manager, together with the free share capital increase to service said Plan. The Stock Plan is part of the Company's directors' remuneration policy and provides for the free assignment of shares to executive directors upon the achievement of certain performance targets set by the Board of Directors. The Plan is also aimed at the Company's Executive with Strategic Responsibilities.

The Plan has a time horizon of three years and is aimed at promoting and pursuing the objectives of aligning the beneficiaries' remuneration to the interests of the shareholders, as well as building the loyalty of the management, envisaging an overall free assignment of a maximum of 900,000 shares to the executive directors and 120,000 shares to the Manager (also taking into account the above-mentioned split) upon achievement of the envisaged objectives.

On 21 February 2023, the Board of Directors resolved to execute the bonus share capital increase through the bonus issue of 69,968 shares to one of the beneficiaries of the 2021-2023 Stock Grant Plan approved by the General Shareholders' Meeting on 31 May 2021. For this reason, the stock grant reserve increased by a total amount of Euro 626 thousand and decreased by a total amount of Euro 337 thousand.

Treasury shares reserve

On 14 July 2023, the Ordinary Shareholders' Meeting of AbitareIn S.p.A. approved the initiation of the plan for the purchase and disposition of treasury shares (the "Buy-Back Plan"). The share purchase transactions under the Buy-Back Plan took place in the manner and within the operating limits set forth in the above-mentioned shareholders' resolution, Article 5 of EU Regulation 596/2014, Article 3 of Delegated Regulation (EU) No.1052/2016 of the European Commission of 8 March 2016, and applicable general industry regulations. As of 30 September 2023, this item had a negative balance of Euro 1,116 thousand.

Previous years' profits

The item "Previous year's profits" decreased by a total amount of Euro 9,926 thousand due to the distribution of dividends. On 14 July 2023, the shareholders' meeting of the holding company AbitareIn S.p.A. approved the distribution to its shareholders of an extraordinary cash dividend, the payment was completed in October 2023.

Note 14. Current and non-current financial liabilities

The table below shows the breakdown of current and non-current financial liabilities at 30 September 2023 and 30 September 2022.

	30.09.2023			30.09.2022			
	non-current portion	current portion	Total	non-current portion	current portion	Total	Change
Medium/long-term bank loans	72,633,222	10,806,796	83,440,018	130,084,446	17,716,181	147,800,627	(64,360,609)
Short-term bank loans	-	-	-	-	-	-	-
Other financial payables	1,118,083	298,544	1,416,627	552,320	199,392	751,712	664,915
Total	**73,751,305**	**11,105,340**	**84,856,645**	**130,636,766**	**17,915,573**	**148,552,339**	**(63,695,694)**

Bank loans

During the year, the following new loan were obtained:

- Loan held by the parent company AbitareIn S.p.A. for a total amount of Euro 5,000 thousand;

During the year, the following loans were repaid:

- Loan held by the parent company AbitareIn S.p.A. for a total amount of Euro 5,000 thousand;
- Mortgage loan in the hands of subsidiary MyCity S.r.l. in the amount of Euro 2,500 migiaia with mortgage on the property;
- Mortgage loan in the hands of subsidiary Milano City Village S.r.l. in the amount of Euro 42,000 thousand with mortgage on the property.

loan type (Euro/000)	Borrower company	Amount disbursed/ approved*	Underwriting date	End date	Payable within the next financial year	Payable beyond next financial year	Total Debt book value	Total debt nominal value	Mortgage on real estate/guarantees	Covenants
Mortgage loan	AbitareIn Development 3 S.r.l.	3,000	22.06.2018	30.06.2033	165	1,889	2,054	2,071	6,000	No
Landed property loan	AbitareIn Development 3 S.r.l.	1,500	05.05.2022	30.06.2033	108	1,237	1,345	2,351	3,000	No
Unsecured loan	AbitareIn Development 4 S.r.l.	5,875	04.03.2022	03.03.2027	955	4,916	5,871	5,875	n/a	No
Landed property loan	AbitareIn Development 5 S.r.l.	25,100	07.07.2022	31.12.2032	71	4,163	4,234	4,393	50,200	Yes
Loan	AbitareIn S.p.A.	1,300	16.07.2019	31.12.2023	115	-	115	115	n/a	No
Loan	AbitareIn S.p.A.	5,200	23.09.2020	23.09.2025	1,310	1,316	2,626	2,640	n/a	Yes
Loan	AbitareIn S.p.A.	4,500	20.05.2021	31.05.2025	2,875	1,117	3,992	3,937	n/a	Yes
Loan	AbitareIn S.p.A.	1,400	23.06.2022	31.07.2027	253	1,167	1,420	1,400	n/a	No
Loan	AbitareIn S.p.A.	2,600	27.05.2022	26.05.2027	266	2,384	2,650	2,600	n/a	No
Loan	AbitareIn S.p.A.	3,000	18.07.2022	31.12.2025	1,003	1,518	2,521	2,513	n/a	Yes
Loan	AbitareIn S.p.A.	3,000	29.07.2022	28.07.2025	612	1,788	2,400	2,400	n/a	Yes
Loan	AbitareIn S.p.A.	5,000	29.09.2023	30.09.2028	503	4,492	4,995	5,000	n/a	Yes
Landed property loan	Accursio S.r.l.	30,900	31.12.2021	31.12.2031	61	10,129	10,190	10,500	61,800	Yes
Unsecured loan	Citynow S.r.l.	2,000	01.02.2022	01.02.2028	367	1,426	1,793	1,801	n/a	No
Loan	Deametra Siinq S.r.l.	23,000	29.12.2022	30.06.2026	-	5,988	5,988	6,375	41,400	Yes
Landed property loan	Lambrate Twin Palace S.r.l.	18,100	25.05.2021	31.03.2049	50	3,246	3,296	3,300	36,200	No
Unsecured loan	Mivivi S.r.l.	5,000	06.05.2022	06.05.2028	316	4,661	4,977	5,000	n/a	No
Landed property loan	Palazzo Naviglio S.r.l.	14,950	18.02.2020	17.02.2035	94	1,014	1,108	1,100	29,900	No
Landed property loan	Porta Naviglio Grande S.r.l.	11,802	14.01.2021	14.12.2025	63	4,590	4,653	4,730	23,604	Yes
Landed property loan	Savona 105 S.r.l.	37,500	03.12.2020	31.12.2030	790	10,193	10,983	10,950	75,000	Yes
Landed property loan	TheUnits S.r.l.	3,100	15.02.2021	28.02.2038	28	456	484	487	6,200	No
Landed property loan	Trilogy Towers S.r.l.	19,700	28.02.2019	28.02.2029	130	597	727	722	39,400	Yes
Unsecured loan	Volaplana S.r.l.	5,000	12.01.2022	11.01.2028	672	4,346	5,018	5,000	n/a	No
Total		**232,527**			**10,807**	**72,633**	**83,440**	**85,260**		

* For real estate loans, disbursement is foreseen at the State of Works Progress (SAL) up to the amount indicated.

The following is a sensitivity analysis that was determined based on the Group's 30 September 2023 exposure and concerns the effect on the income statement of rate changes, upward and downward.

The columns show the increase (+) or, on the contrary, a decrease (-) in financial expenses compared to the value in the Consolidated Financial Statements 2023.

Rate changes		Sensitivity on rates (Euro thousand)	
(+)	(-)	(+)	(-)
+50 BP	-50 BP	389	(222)
+100 BP	-100 BP	779	(648)
+200 BP	-200 BP	1,558	(1,501)
+300 BP	-300 BP	2,337	(2,354)

Below is a table summarising the financial covenants in some of the AbitareIn Group's loan agreements:

Loan	Frequency and date of last calculation	Parameter	Limit	Parameter at last reporting date
AbitareIn S.p.A. (BCC)	Financial year (30.09.2023)	Consolidated net financial debt/consolidated Ebitda	< 3.75	1.10
AbitareIn S.p.A. (BCC)	Financial year (30.09.2023)	consolidated net financial debt/consolidated equity	< 1.75	0.35
AbitareIn S.p.A. (BNL)	Financial year (30.09.2023)	consolidated net financial debt/consolidated equity	< 1.75	0.35
AbitareIn S.p.A. (BNL)	Financial year (30.09.2023)	net financial debt in financial statements/equity in financial statements	< 0.75	(0,18)
AbitareIn S.p.A. (BNL)	Financial year (30.09.2023)	Loan to Value	< 45.00%	43.44%
AbitareIn S.p.A. (BPER)	Financial year (30.09.2023)	consolidated net financial debt/consolidated equity	< 1.75	0.35
AbitareIn S.p.A. (BPER)	Financial year (30.09.2023)	net financial debt in financial statements/equity in financial statements	< 0.75	(0,18)
AbitareIn S.p.A. (MPS)	Financial year (30.09.2023)	consolidated net financial debt/consolidated equity	< 1.75	0.35
AbitareIn Development 5 S.r.l.	Financial year (30.09.2023)	Loan to Cost/Loan to Value	< 69.8%/51%	45,02%/21,53%
Accursio S.r.l.	Financial year (30.09.2023)	Loan to Cost/Loan to Value	< 69.17%/60%	59,51%/n/a
Deametra Siinq S.r.l.	Financial year (30.09.2023)	Loan to Value	< 70,00%	n/a
Porta Naviglio Grande s.r.l.	Financial year (30.09.2023)	Loan to Cost/Loan to Value	< 63%/45%	35,36%/15,46%
Savona 105 S.r.l.	Calendar year (31.12.2022)	Loan to Cost	< 69.5%	52.21%
Trilogy Towers S.r.l.	Calendar year (31.12.2022)	Loan to Cost/Loan to Value	< 63%/70%	45,49%/29,61%

As of 30 September 2023, the financial covenants had been fully complied with.

The item other financial payables is mainly composed of:

- the financial payable the long-term right of use of the property used as offices located at 36 Viale Umbria for an amount of Euro 941 thousand;
- to the leasing company for the purchase of the property located at 57 Via Amadeo, 57 in the amount of Euro 391 thousand;
- the financial payable relative to the long-term right of use of the property used by the Chairman of the Board of Directors in the amount of Euro 57 thousand;

- the financial payable for the leasback leasing contract, relative to office machinery, signed with BNL in the amount of Euro 27 thousand,

Note 15. Employee benefits

Pursuant to IAS 19R, the main economic-financial assumptions used in the actuarial valuations are detailed below:

	30.09.2023	30.09.2022
Annual inflation rate	2.50%	3.50%
Technical annual discount rate	4.00%	2.50%
Annual rate of salary increase	2.50%	2.50%

The following changes in employee benefits were recorded in the relevant period:

Balance at 30 September 2022	**325,982**
Financial expenses	11,041
Advances paid and settlements	(88,128)
Accruals	137,712
Actuarial gains (losses)	3,308
Balance at 30 September 2023	**389,915**

Note 16. Other non-current liabilities

As at 30 September 2023, the item "Other non-current liabilities" consisted of the provision for termination indemnities in the amount of Euro 335 thousand.

The following changes were recorded in the directors’ severance indemnity reserve:

Balance at 30 September 2022	**281,755**
Financial expenses	9,861
Advances paid and settlements	-
Accruals	43,341
Actuarial gains (losses)	227
Balance at 30 September 2023	**335,184**

Nota 17. Customer down payments and deposits

The table below shows the breakdown of customer deposits and advance payments as of 30 September 2023 and 30 September 2022:

	30.09.2023	30.09.2022	Change
Non-current deposits from customers	14,951,535	26,213,080	(11,261,545)
Non-current advances from customers	29,229,566	54,653,848	(25,424,282)
Current deposits from customers	1,278,500	11,091,600	(9,813,100)
Current advances from customers	1,751,146	-	1,751,146
Total	**47,210,747**	**91,958,528**	**(44,747,781)**

The item down payments is composed of advances and deposits collected against contracts signed for the sale of property units under construction. In particular, the payable for non-current down payments and deposits, equal to Euro 44,181 thousand, is attributable to the subsidiaries Savona 105 S.r.l. for Euro 13,739 thousand, Porta Naviglio Grande S.r.l. for Euro 9,301 thousand, MyCity S.r.l. for Euro 7,588 thousand, Lambrate Twin Palace S.r.l. for an amount of Euro 5,536 thousand and AbitareIn Development 5 S.r.l. for an amount of Euro 3,846 thousand.

The current payable for deposits and payments on account, amounting to Euro 3,030 thousand, is held by the subsidiaries Trilogy Towers S.r.l. for an amount of Euro 1,474 thousand, Milano City Village for an amount of Euro 952 thousand and Palazzo Naviglio S.r.l. for an amount of Euro 604 thousand.

Nota 18. Trade payables

Trade payables amounted to Euro 7,161 thousand (Euro 23,747 thousand as of 30 September 2022) and are stated at nominal value. All payables are due within one year. Payables mainly refer to suppliers engaged in production activities. There are no payables for significant amounts in currencies other than the euro.

Note 19. Other current liabilities

The table below shows the breakdown of other current liabilities at 30 September 2023 and 30 September 2022.

	30.09.2023	30.09.2022	Change
Town planning costs	3,290,636	3,450,676	(160,040)
Other payables	15,706,055	8,368,431	7,337,624
Accrued expenses and prepaid income	110,950	137,998	(27,048)
Social security contributions payable	80,634	68,366	12,268
Other current liabilities	**19,188,275**	**12,025,471**	**7,162,804**

Payables arising from the payment in instalments of urbanisation charges for the subsidiaries TheUnits S.r.l. for an amount of Euro 178 thousand, Maggiolina S.r.l. for an amount of Euro 367 thousand, Deametra Siinq S.r.l. for an amount of Euro 332 thousand, Porta Naviglio Grande S.r.l. for an amount of Euro 279 thousand, Lambrate Twin Palace S.r.l. for an amount of Euro 1,082 thousand and Smartcity Siinq S.r.l. for an amount of Euro 1,053 thousand.

The item other payables mainly includes:

- Debt to shareholders in the total amount of Euro 9,926 thousand for dividends distributed. On 14 July 2023, the shareholders' meeting of the holding company AbitareIn S.p.A. approved the distribution to its shareholders of an extraordinary cash dividend, the payment was completed in October 2023;

- Debt for withholding as guarantee towards the contractor company entrusted with the construction of the buildings owned by the subsidiaries AbitareIn Maggiolina S.r.l., Milano City Village S.r.l., Costruire In S.r.l., Trilogy Towers S.r.l., Porta Naviglio Grande S.r.l. and Lambrate Twin Palace S.r.l. for a total amount of Euro 3,121 thousand;
- Debt for guarantee withholding towards the contractor company entrusted with the demolition and reclamation of the real estate projects of the subsidiaries MyCity S.r.l., AbitareIn Development 4 S.r.l., Savona 105 S.r.l., Deametra Siinq S.r.l., Smartcity Siinq S.r.l. and Mivivi S.r.l. for a total amount of Euro 432 thousand;
- Payables for charges for the year ending 30 September 30 the financial manifestation of which has not yet occurred, totaling Euro 994 thousand;
- Due to directors for unpaid accrued remuneration in the amount of Euro 412 thousand.

Note 20. Current tax liabilities

Current tax liabilities are mainly composed of IRES payable in the amount of Euro 5,496 thousand, IRAP payable in the amount of Euro 1,119 thousand and IMU payable in the amount of Euro 319 thousand.

Notes to the key items in the Income Statement

Note 21. Revenues and changes in progress and finished products

Total revenue amounted to Euro 122,177 thousand as of 30 September 2022, compared to Euro 116,304 thousand as of 30 September 2023.

The breakdown of revenues from sales and services by category of activity and geographical area is omitted as the business is conducted entirely in Italy.

Note 21.1 Revenues from sales and services

Revenues from sales and services amounting to Euro 235,783 thousand as of 30 September 2023 mainly refer to the sale of residential units by the subsidiaries Milano City Village S.r.l. in the amount of Euro 88,765 thousand, Trilogy Towers S.r.l. in the amount of Euro 57,001 thousand, and Palazzo Naviglio in the amount of Euro 30,413 thousand. This item also includes revenues related to the conclusion of the Via Cadolini (former Plasmon) transaction in the amount of Euro 58,040 thousand.

Note 21.2 Changes in inventory for progress of work

The item "Change in inventory for progress of works" breaks down as follows:

	30.09.2023	30.09.2022	Change
AbitareIn Development 4 Srl	2,800,781	726,056	2,074,725
AbitareIn Development 5 Srl	2,652,339	1,408,362	1,243,977
AbitareIn Development 7 Srl	(1,207,370)	(14,968,038)	13,760,668
AbitareIn Maggiolina Srl	-	(2,220,412)	2,220,412
Accursio Srl	1,152,838	1,094,227	58,611
City Zeden Srl	(81,414)	122,134	(203,548)
Citynow Srl	389,893	742,770	(352,877)
Immaginare Srl	2,585,341	120,237	2,465,104
Lambrate Twin Palace Srl	4,573,544	6,058,280	(1,484,736)
Milano City Village Srl	(75,009,086)	30,388,870	(105,397,956)
Milano Progetti Srl	(30,334,668)	5,385,115	(35,719,783)
Mivivi Srl	3,235,676	3,329,765	(94,089)
My City Srl	711,136	5,326,520	(4,615,384)
New Tacito Srl	6,316,426	-	6,316,426
Palazzo Naviglio Srl	(27,881,981)	14,487,181	(42,369,162)
Porta Naviglio Grande Srl	5,378,523	(847,380)	6,225,903
Savona 105 Srl	1,186,125	(825,958)	2,012,083
The Units Srl	645,104	619,144	25,960
Trilogy Towers Srl	(41,402,936)	27,917,511	(69,320,447)
Volaplana Srl	407,320	451,624	(44,304)
Ziro Srl	222,134	449,408	(227,274)
Total	**(143,660,275)**	**79,765,416**	**(223,425,691)**

Note 21.3 Changes in inventories for new site purchases

As of 30 September 2023, this item included the costs incurred for the acquisition of the real estate complex by the subsidiary Volaplana S.r.l. in the amount of Euro 2,550 thousand and by the subsidiary Ziro S.r.l. in the amount of Euro 5,000 thousand.

Note 21.4 Other operating revenue

Other operating revenues of Euro 16,631 thousand as of 30 September 2023 mainly include:

- Increases in tangible assets in progress inherent to investments in real estate intended for lo- cation in the form of co-living in the head of the subsidiaries Deametra Siinq S.r.l. and Smartcity Siinq S.r.l. respectively in the amount of Euro 14,414 thousand and Euro 237 thousand;
- Contribution for operating account in accordance with Article 14 of Decree Law No. 63/2013 in the subsidiary Milano Ci-ty Village S.r.l. in the amount of Euro 425 thousand and in the subsidiary Palazzo Naviglio S.r.l. in the amount of Euro 299 thousand;
- Other revenues for service to third parties related to pre- and post-sale services in the hands of the holding company AbitareIn S.p.A. in the amount of Euro 363 thousand;
- The tax credit for R&D activities amounting to Euro 56 thousand.

Note 22. Operating expenses

Note 22.1 Real estate purchases to development

As of 30 September 2023, this item includes costs incurred for the ac-quisition of the real estate complex intended for sale by subsidiary Volaplana S.r.l. in the amount of Euro 2,550 thousand and by subsidiary Ziro S.r.l. in the amount of Euro 5,000 thousand. This item also includes the costs incurred for the acquisition of the real estate complex intended for lease in the form of co-living in the subsidiary Deametra Siinq S.r.l. in the amount of Euro 12,500 thousand.

Note 22.2 Costs for services

Costs for services breaks down as follows:

	30.09.2023	30.09.2022	Change
Legal. notarial and administrative consultancy	1,456,374	1,019,590	436,784
Technical consultancy	1,508,501	1,066,472	442,029
Design and project management	4,471,100	7,950,919	(3,479,819)
Construction costs	24,459,366	56,046,337	(31,586,971)
Rehabilitation	2,043,532	4,355,811	(2,312,279)
Demolition	1,168,665	1,200,755	(32,090)
Construction charges	2,881,760	3,485,892	(604,132)
Directors	1,639,703	2,719,891	(1,080,188)
Statutory auditors. auditing firm and supervisory body	345,781	276,445	69,336
Marketing and advertising	987,415	700,565	286,850
Furniture costs	7,833,670	162,219	7,671,451
Brokerage fees	441,791	666,821	(225,030)
Sureties	723,778	1,183,076	(459,298)
Insurance	466,127	377,712	88,415
Condominium expenses	734,286	236,096	498,190
Utilities	102,615	109,513	(6,898)
Other	3,157,641	3,123,181	34,460
Total	**54,422,105**	**84,681,295**	**(30,259,190)**

Note 22.3 Personnel expenses

The breakdown of personnel expenses is as follows:

	30.09.2023	30.09.2022	Change
Wages and salaries	2,271,063	1,737,315	533,748
Social security costs	821,190	566,738	254,452
Severance indemnity reserve (TFR)	137,712	107,123	30,589
Other expenses	328,074	29,139	298,935
Total personnel expenses	**3,558,039**	**2,440,315**	**1,117,724**

Employees

The table below shows the average and exact number of employees per category for the financial years ending 30 September 2023 and 30 September 2022:

	30.09.2023		30.09.2022	
	Average	End-of-period	Average	End-of-period
Executives	2	2	2	2
Office workers	53	52	41	46
Total	**55**	**54**	**43**	**48**

Note 22.4 Depreciation/Amortisation

The breakdown of "Depreciation/Amortisation" is as follows:

	30.09.2023	30.09.2022	Change
Amortisation of intangible assets	926,239	811,313	114,926
Depreciation of property. plant and equipment	372,275	337,372	34,903
Total amortisation/depreciation	**1,298,514**	**1,148,685**	**149,829**

The increase in depreciation/amortisation is mainly related to the incremental investments made by the par- ent company AbitareIn S.p.A. on the Development.

Note 22.5 Impairment losses and provisions

The item “Impairment losses and provisions" is composed of the provision for severance indemnities recognised to directors in the amount of Euro 43 thousand and of the provision of charges pertaining to the year ended at 30 September 2023, the financial manifestation of which has not yet occurred, totaling to Euro 994 thousand.

Note 22.6 Other operating expenses

Other operating expenses amounted to Euro 2,968 thousand and mainly included indirect taxes of Euro 1,530 thousand (of which IMU of Euro 1,212 thousand), contractual penalties of Euro 838 thousand, and for the remainder subscriptions and membership fees and losses incurred for various reasons.

Note 23. Financial income and Expenses

As of 30 September 2023, financial income amounted to Euro 3,125 thousand and refer mainly to:

- to the revaluation of the credit for sisma bonus generated by the alignment of the book value to the fair value as of 30 September 2023 of the second tax credit for a total amount of Euro 2,000 thousand;
- to the transfer of the credit for seismic bonus for a total amount of Euro 621 thousand;
- to the revaluation of the investment lines made by the holding company AbitareIn S.p.A., generated by the alignment of the book value to the fair value as of 30 September 2023, for a total amount of Euro 221 thousand;
- to income generated by cash flow hedge derivatives entered into by the holding company AbitareIn S.p.A. and the subsidiary Porta Naviglio Grande S.r.l. for a total amount of Euro 179 thousand

As of September 30, 2023, financial expenses amounted to 10,640 euros and referred mainly to:

- to the write-down generated by the alignment of the book value to the fair value as of 30 September 2023 of the equity investment in Tecma Solutions S.p.A. in the total amount of Euro 2,793 thousand;
- to interest expense to credit institutions for average financial debt in the com-prehensive amount of Euro 5,143 thousand;
- financial charges incurred for the assignment of tax credit to credit institutions in the com-prehensive amount of Euro 780 thousand;
- to the write-down of the earthquake bonus credit generated by the alignment of the book value to the fair value as of 30 September 2023 for a com-plex amount of Euro 942 thousand.

Note 24. Income taxes

The table below shows the breakdown of income taxes as at 30 September 2023 and 30 September 2022.

	30.09.2023	30.09.2022	Change
Current	7,851,873	329,333	7,522,540
Deferred	(6,881,994)	2,990,107	(9,872,101)
Income taxes	**969,879**	**3,319,440**	**(2,349,561)**

For details of deferred taxes, see the table in Note 5. "Deferred tax assets and liabilities". The Group's taxation is regulated through the tax consolidation agreements under AbitareIn S.p.A and Homizy Siiq S.p.A.

The reconciliation between the actual tax liability recognised in the financial statements and the theoretical tax liability, determined for IRES, IRAP and on the basis of the theoretical tax rate, is as follows:

IRES tax	%	2023	2022
EBT		**25,131,378**	**11,235,678**
Theoretical tax liability (%)	**24%**	**6,031,531**	**2,696,563**
Increases:			
IMU TAX		918,444	915,358
Unpaid remuneration and employee bonuses		252,000	1,167,750
Provision. Bonuses/debt write-downs/Write-downs		4,121,933	-
Change due to ias consolidated entries		19,335,969	-
Other increases		6,892,545	4,213,079
Total		**31,520,891**	**6,296,187**
Decreases:			
Paid remuneration and employee bonuses		1,231,666	592,000
Dividends and revaluations		22,786,425	344,820
Deduction for prior losses. ACE (aid to economic growth). IRAP tax and contributions		1,243,246	738,723
Changes in consolidated IAS entries		-	12,891,444
Interest Adjustment for CNM		-	1,582,461
Other decreases		5,224,484	1,382,417
Total		**30,485,821**	**17,531,865**
IRES tax base		**26,166,448**	**-**
IRES tax pertaining to the period		**6,279,948**	**-**
Contingent assets IRES previous year		**135,058**	**(23,765)**
IRES		**6,415,006**	**(23,765)**

IRAP tax		2023	2022
Difference between income and costs not considered for IRAP tax purposes		**11,564,713**	**17,786,123**
Theoretical tax liability (%)	**3.90%**	**451,024**	**693,659**
Increases:			
Costs for collaborators and directors		1,804,963	2,805,800
IMU TAX		922,670	1,020,716
Change due to ias consolidated entries		19,335,969	-
Other increases		3,614,463	1,584,308
Total		**25,678,065**	**5,410,824**
Decreases			
Grants for the year		785,801	902,310
Tax wedge deductions		2,841,746	2,361,200
Changes in consolidated IAS entries		-	12,891,444
Other decreases		777,930	771,526
Total		**4,405,477**	**16,926,480**
IRAP tax base		**32,837,301**	**6,270,467**
IRAP tax pertaining to the period*		**1,436,867**	**353,127**

Note 25. Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding in the period. For the purpose of the diluted earnings per share, the ordinary shares that will potentially issued following the achievement of the targets defined in the stock grant plan have not been taken into account as they cannot be determined as of today.

The table below shows the breakdown of basic and diluted earnings per share for the years ended 30 September 2023 and 30 September 2022.

	30.09.2023	30.09.2022	Change
Net profit (loss) attributable to the owners of the Parent (Euro)	24,161,499	7,916,238	16,245,261
No, of shares outstanding	26,398,454	26,530,812	-132,358
Number of potential ordinary shares	1,246,802	669,530	577,272.00
Average number of shares outstanding considered in the calculation of diluted earnings per share	27,645,256	27,200,342	444,914
Earnings per share (Euro)	0.92	0.30	0.62
Diluted earnings per share (Euro)	0.87	0.29	0.58

	30.09.2023	30.09.2022	Change
Net profit (loss) attributable to the owners of the Parent in statement of comprehensive income (Euro)	24,062,729	8,256,411	15,806,318
No, of shares outstanding	26,398,454	26,530,812	-132,358
Number of potential ordinary shares	1,246,802	669,530.00	577,272
Average number of shares outstanding considered in the calculation of diluted earnings per share	27,645,256	27,200,342	444,914
Earnings per share (Euro)	0.91	0.31	0.60
Diluted earnings per share (Euro)	0.87	0.30	0.57

*: net of treasury shares held as of 30 September 2023.

Note 26. Related-party transactions

Pursuant to IAS 24, related parties of the Group are companies and individuals that are able to exercise control, joint control or have significant influence on the Group and its subsidiaries.

Intercompany transactions are of a business and financial nature and tend to be formalised by contracts. Such transactions are carried out at arm's length and carefully monitored by the Board of Directors. The transactions with the counterparties in question are related to the normal operations of the single entity; there are no transactions of an atypical or unusual nature.

There are no related parties other than those already identified, with the exception of the companies belonging to the consolidation area and the directors, statutory auditors and persons with strategic responsibilities, whose remuneration is shown below:

	30.09.2023
Directors' remuneration	1,639,703
Directors' Severance Indemnity Reserve (TFM)	43,341
Statutory Auditors' remuneration	102,286
Remuneration of executive with strategic responsibilities	200,000
Total	**1,985,330**

Commitments and guarantees provided by the Group

In addition to what has already been reported in note 12, AbitareIn guarantees the fulfilment of the obligations assumed by the subsidiaries, towards Reale Mutua Assicurazioni, against the issuance by the latter of the sureties that the same subsidiaries provide in favour of third parties. As at 30 September 2023, the total amount of the guarantee was Euro 118 million.

The guarantees issued by AbitareIn S.p.A. on behalf of the subsidiaries in favour of credit institutions are listed below:

Company	Amount guaranteed	Date of issue	Type of guarantee
AbitareIn Development 3 Srl	3,000,000	22.06.2018	Loan repayment guarantee
AbitareIn Development 4 Srl	1,175,000	03.03.2022	Comfort letter of 1,7 mln
AbitareIn Development 5 Srl	4,500,000	07.07.2022	Loan repayment guarantee
Accursio Srl	10,500,000	29.12.2021	Loan repayment guarantee
Citynow Srl	400,000	01.02.2022	Loan repayment guarantee
Lambrate Twin Palace Srl	3,300,000	25.05.2021	Comfort letter of 3,3 mln and subordination of 2 mln loan
Milano Progetti Srl*	10,500,000	23.12.2020	Loan repayment guarantee and subordination of shareholder financing
Milano Progetti Srl*	5,000,000	21.10.2022	Loan repayment guarantee and subordination of shareholder financing
Mivivi Srl	5,000,000	06.05.2022	Loan repayment guarantee
MyCity Srl	17,300,000	15.05.2023	Comfort letter
Porta Naviglio Grande Srl**	3,650,000	17.12.2020	Loan repayment guarantee
Savona 105 Srl	10,950,000	03.12.2020	Loan repayment guarantee
Volaplana Srl	5,000,000	11.01.2022	Loan repayment guarantee
	80,275,000		

*: AbitareIn S.p.A. maintained the guarantee issued on behalf of the transferred company Milano Progetti S.r.l., holder of the property in Via Ca-dolini. On 12 December 2023, the release of the surety was announced;

**: the sales target allowing AbitareIn S.p.A. to request the cancellation of the guarantee was reached.

Financial risk management policy

See the Directors' report accompanying the consolidated financial statements for further information.

Information on the carrying amount and fair value of financial instruments

IFRS 7 and IFRS 13 require the classification of financial instruments measured at fair value to be based on the quality of the sources of the inputs used in determining fair value. In particular, IFRS 7 and IFRS 13 define 3 levels of fair value:

- Level 1: financial assets/liabilities are classified in this level if their fair value is determined on the basis of quoted prices (unadjusted) in active markets, either Official or Over the Counter of identical assets or liabilities;
- level 2: financial assets/liabilities are classified in this level if their fair value is determined on the basis of inputs other than the quoted prices referred to in level 1, but which are observable directly or indirectly on the market for these assets/liabilities
- level 3: financial assets/liabilities whose fair value is determined on the basis of unobservable market data are classified in this level. This category includes instruments measured on the basis of internal estimates, performed using proprietary methods based on industry best practices.

There were no transfers between the different levels of the fair value hierarchy during the periods considered.

The table below summarises the comparison for financial assets and liabilities between their carrying value and their fair value calculated as at 30 September 2022 based on the level reflecting the inputs used in determining fair value:

(In Euro)		As at 30.09.2023			
	Note	Carrying amount	Level 1	Level 2	Level 3
Assets					
Financial activities	3	184,544	184,544	-	-
Equity investments in other companies	4	2,022,472	2,022,472	-	-
Current financial assets	7	2,200,000	-	2,200,00	-
Financial assets carried at fair value	8	15,220,554	15,220,554	-	-
808,Trade receivables	9	808,301	-	-	808,301
Other current assets	10	23,933,618	-	10,024,453	13,909,165
Cash and cash equivalents	12	28,917,054	28,917,054	-	-
Liabilities				-	
Non-current financial liabilities	14	73,751,305	73,751,305	-	-
Other non-current liabilities	16	335,184	-	-	335,184
Current financial liabilities	14	11,105,340	11,105,340	-	-
Customer down payments and deposits	17	47,210,747	-	-	47,210,747
Trade payables	18	7,161,139	-	-	7,161,139
Other current liabilities	19	19,188,275	-	-	19,188,275

Contingent liabilities and main pending litigation

See the Interim Report on Operations.

Transactions resulting from atypical and/or unusual operations

According to CONSOB Communication No. DEM/6064296 of 28 July 2006, it should be noted that during the financial year ended 30 September 2023, the AbitareIn Group did not engage in any atypical and/or unusual transactions, as defined in the same communication.

Significant non-recurring events and transactions

Pursuant to CONSOB Communication No. DEM/6064296 of 28 July 2006, it should be noted that during the financial year ended 30 September 2023, the AbitareIn Group did not undertake any significant non-recurring events and transactions, as defined in the communication.

Policy on contributions by Public Administrations

Below is the information on the contributions made by the Public Administration to the AbitareIn Group:

- Contribution for operating account in accordance with Article 14 of Decree Law No. 63/2013 in the amount of Euro 425 thousand in the subsidiary Milano Ci-ty Village S.r.l;
- Contribution for operating account according to art.14 of Decree Law n.63/2013 in the head of the subsidiary Palazzo Naviglio S.r.l. in the amount of Euro 299 thousand;
- Euro 56 thousand as tax credit for investments in Research & Development pursuant to Art.244, paragraph 1 of Legislative Decree No. 34 of 2020 recognized to the parent company AbitareIn S.p.A.

Fees to the Auditing Company

Below are details of the fees charged for the financial year ending 30 September 2023 for audit and non-audit services rendered by the auditing firm BDO S.p.A.

Amounts in K€	**30.09.2023**
Auditing half-yearly financial statements	37
Statutory audit	102
Other assurance services	-
Total	**139**

Declaration of the Consolidated Financial Statements pursuant to Article 154-bis, paragraph 5, of Legislative Decree No. 58/1998 (Consolidated Finance Act)

1. We, the undersigned Luigi Francesco Gozzini and Cristiano Contini, acting respectively as Chief Executive Officer and Executive Responsible for the Corporate Accounting Information of AbitareIn S.p.A., taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, certify:

    - the adequacy in relation to the characteristics of the company, and
    - the effective application of administrative and accounting procedures for the preparation of the Consolidated Financial Statements as at 30 September 2023.

2. We also certify that:

    2.1 The Consolidated Financial Statements as at 30 September 2023:

    a) have been prepared in accordance with the International Financial Reporting Standards recognised in the European Union under EC Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

    b) complies with the specific required provisions of the European Commission's Delegated Regulation (EU) 2019/815 on regulatory technical standards relating to the specification of the European Single Electronic Format (ESEF) for communication

    c) correspond to the underlying accounting entries and records;

    d) provides a true and fair view of the financial and economic position of the issuer and the group of companies included in the consolidation scope.

    2.2 The Management Report includes a reliable analysis of the important events that occurred in the year and of their impact on the Consolidated Financial Statements, together with a description of the main risks and risks and uncertainties of the year.

Milan, 13 December 2023

Luigi Francesco Gozzini	Cristiano Contini
(CEO)	(Executive Responsible for Corporate Accounting Information)

Abitare In S.p.A.

Independent auditor’s report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

Consolidated Financial statements as of September 30, 2023

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

GRV/VDL/cpo - RC058152023BD0614

BDO

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20131 Milano

Independent auditor's Report
pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

To the shareholders of
Abitare In S.p.A.

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Abitare In S.p.A. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of September 30, 2023, the consolidated income statement, the consolidated statement of comprehensive income, the statement of consolidated changes in equity, the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements give a true and fair view of the financial position of the Group as of September 30, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree N. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the ethical and independence requirements applicable in Italy to the audit of consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Palermo, Roma, Torino, Verona

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Iscritta al Registro dei Revisori Legali al n. 167911 con D.M. del 15/03/2013 G.U. n. 26 del 02/04/2013
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Key audit matter	Audit response
WORK IN PROGRESS OF REAL ESTATE DEVELOPMENT *PARAGRAPH: RECOGNITION OF REVENUES AND INVENTORIES; USE OF ESTIMATES* *NOTE 6: INVENTORY* *NOTE 21: REVENUES AND CHANGE IN WORK IN PROGRESS AND FINISHED PRODUCTS* The Group booked EUR 145,7 million as "Real estate developments under way" among "Inventory" as of September 30, 2023. As described in paragraph "Revenue and inventory recognition" within the "Measurement Criteria", the Group accounts, in compliance with the international accounting standard IFRS 15, paragraph 35 in reference to real estate projects for which preliminary contracts have been signed for purchase and sale of real estate, inventories are valued using the percentage of completion method in relation to construction costs. The directors use estimates to determine the work progress status and the costs and revenues at the end of the real estate initiative. For the reasons set out above, and in view of the significance of this caption, we have considered the assessment of the inventories of work in progress, a key audit matter of the consolidated financial statements.	The audit procedures applied in response to this key aspect concerned, among the others: ▪ Examination of the methods used by the Group to determine the work in progress, analyzing the methods and assumptions used by the directors; ▪ Physical inspections of some construction sites subject to a real estate initiative; ▪ Understanding and recording of the controls put in place by the Group on the process of estimating the work in progress; ▪ Examination of the reasonableness of the forecasts of costs and revenues to finish the real estate initiative; ▪ Check for the clerical accuracy of the model used for the purpose of the work in progress calculation. We checked the adequacy of the information provided in the notes to the consolidated financial statements

Responsibilities of Directors and Those Charged with Governance for the consolidated financial statements

The Directors of Abitare In S.p.A. are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree N. 38/05 and, within the limits of the law, for such internal control as Directors they determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing, in terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also have:

- Identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided those charged with governance with a statement that we have complied with relevant ethical and independence requirements applicable in Italy and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described those matters in the auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) 537/2014

We were initially engaged by the shareholders meeting of Abitare In S.p.A. on December 23, 2020 to perform the audits of the consolidated financial statements of each fiscal year starting from September 30, 2021 to September 30, 2029.

We declare that we did not provide prohibited non audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the company in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the EU Regulation n.537/2014, submitted to those charged with governance.

Report on other legal and regulatory requirements

Opinion on the compliance to the requirements of Delegated Regulation (EU) 2019/815

The Directors of Abitare In S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the consolidated financial statements, to be included in the Annual financial report.

We have performed the procedures required under audit standard (SA Italia) no. 700B in order to express an opinion on the compliance of the consolidated financial statements to the requirements of the Delegated Regulation.

In our opinion, the consolidated financial statements have been prepared in XHTML format and have been marked-up, in all material respects, in compliance to the requirements of Delegated Regulation.

Due to certain technical limitations, some information included in the explanatory notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion pursuant to article 14, paragraph 2, letter e), of Legislative Decree n. 39/10 and of article 123-bis of Legislative Decree n. 58/98

The directors of Abitare In S.p.A. are responsible for the preparation of the report on operations and of the corporate governance report of Abitare In S.p.A. as of September 30, 2023, including their consistency with the consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph. 4, of Legislative Decree n. 58/98, with the consolidated financial statements of Abitare In S.p.A. as of September 30, 2023 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the report on operations and the above mentioned specific information of the corporate governance report are consistent with the consolidated financial statements of Abitare In S.p.A. as of September 30, 2023 and are compliant with applicable laws and regulations.

With reference to the assessment pursuant to article 14, paragraph. 2, letter e), of Legislative Decree n. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, December 28, 2023

BDO Italia S.p.A.

Signed by

Giovanni Rovelli
Partner

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

Report of the Board of Auditors to the General Meeting of Shareholders called for the approval of the Annual Report and Financial Statements as at 30 September 2023 (pursuant to Article 153 of Italian Legislative Decree no. 58/98, and to Article 2429, paragraph 2 of the Italian Civil Code)

Dear Shareholders,

In accordance with Article 153 of Italian Legislative Decree no. 58/1998, the Italian Consolidated Law on Finance (*Testo Unico della Finanza* or TUF) and with Article 2429, paragraph 2 of the Italian Civil Code, the Board of Auditors shall report to the General Meeting on the performance of operations in the financial year and on the activities it carried out fulfilling its duties; it shall also make observations and proposals on the financial statements, their approval and on the matters it is responsible for.

In the reporting year, the Board of Auditors performed its supervisory tasks in compliance with the terms laid down by the applicable legislation and in accordance with the principles of conduct recommended by the Italian National Council of Chartered Accountants and Accounting Experts, as well as with the provisions issued by CONSOB (Italian Securities and Exchange Commission) on corporate controls and on the activities of the Board of Auditors, and with the instructions contained in the Corporate Governance Code adopted by Borsa Italiana S.p.A. (the "**Code**") which Abitare In S.p.A. (hereinafter referred to also as "**Abitare In**" or "**Company**") also adopted with Board resolution passed on 13 January 2021.

To this end, besides attending the meetings of the Board of Directors and of the Board Committees, the Board of Auditors constantly exchanged information with the relevant administration and audit units, with the Body in charge of supervising the effectiveness of, compliance with and update of the Company's Organization, Management and Control Model under Italian Legislative Decree no. 231/01 ("**OdV**"), as well as with BDO S.p.A., the independent audit firm retained for the statutory audit of the accounts.

The Board of Auditors

The Board of Auditors in office on the date of this report was appointed by the General Meeting of Shareholders on 23 December 2020 and its members are:

- Ivano Passoni (Chairman);
- Marco Dorizzi (Standing Auditor);
- Matteo Alfonso Ceravolo (Standing Auditor).

The Alternate Auditors are Fanny Butera and Mariateresa Giangreco. It is pointed out that this Board's term of office will expire upon the approval of the Company's Annual Report and Financial Statements as at 30 September 2023.

The main offices and directorships held by the members of the Board of Auditors are listed in the Report on the Company Corporate Governance and Ownership Structure, which was prepared in accordance with Article 123-bis of the Italian Consolidated Law on Finance and approved by the BoD on 13 December 2023.

The Board of Auditors states that all its members comply with the

regulatory provisions issued by CONSOB on multiple directorships/interlocking positions.

***

The Company's Annual Report and Financial Statements as at 30 September 2023 were prepared in accordance with the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as in compliance with the measured issued for the implementation of Article 9 of Italian Legislative Decree 38/2005. It consists of the documents required by IAS 1, namely: Statement of financial position (balance sheet) as at the reporting date, a statement of profit and loss and other comprehensive income for the period, a statement of changes in equity for the period, a statement of cash flows for the period, the notes to the financial statements and the comparative figures vs. the previous reporting period. The Company prepared its annual report and financial statements as at 30 September 2023 in accordance with the IAS/IFRS setting forth the comparative figures as at 30 September 2022, as described in the basis of presentation. The date of first adoption of the IAS/IFRS was 1 October 2016, which was the date of IFRS first adoption for the consolidated financial statements of the Abitare In Group.

Going concern basis

At its meeting held on 13 December 2023, the Board of Directors approved the draft annual report and financial statements as at 30

September 2023, which are presented on a going concern basis.

Within its periodic audits, the Board of Auditors constantly monitored the developments in the Company's profit and loss, financial and cash flow situation and it found no elements that could raise doubts about the going concern basis underlying these financial statements.

Non-recurring material transactions

On 14 July 2023, the General Meeting of the Company's Shareholders authorized the purchase and the disposal of ordinary treasury shares, pursuant to and for the effects of Article 2357 of the Italian Civil Code, up to a maximum number not exceeding 20% of the Company's share capital, to be finalized within 18 months as of the date of the General Meeting and for a maximum price of Euro 20 million.

Impairment testing procedure

The Note to the financial statements gives the information on and the outcomes of the impairment testing process that was carried out.

This Board of Auditors is of the opinion that the impairment testing procedure adopted by the Company is appropriate.

Atypical or unusual transactions

In the reporting period the Company did not carry put any atypical or unusual transactions as defined in CONSOB communication DEM/6064293 of 28 July 2006.

Intra-group transactions or transactions with related parties

Pursuant to Article 2391-*bis* of the Italian Civil Code and to CONSOB resolution 17221 of 12 March 2010 adopting its "*Regulations containing provisions relating to transactions with related parties*",

which was then amended with CONSOB resolution no. 17389 of 23 June 2010, and pursuant to CONSOB resolution no. 21624 of 10 December 2010, the Board of Directors adopted the "*Procedure relating to transactions with related parties of Abitare In S.p.A.*" (the "**Regulation**") on 13 January 2021.

It is pointed out that the Regulation adopted by the Company and applying to the transactions carried out in FY 2023 is consistent with the principles laid down in the aforementioned CONSOB Regulation and has been published on the Company's website.

Transactions with related parties are reported in the Notes to the Company's separate financial statements and to the Group's consolidated financial statements, along with the subsequent effects on profit or loss and the financial position.

This Board supervised compliance with the Regulation and correctness of the process followed by the Board of Directors and by the relevant Committee about qualification as related parties and has nothing to report.

Activities carried out by the Board of Auditors in FY 2023

In performing its activities, the Board:

- Supervised compliance with the applicable law and with the Deed of Incorporation;
- Supervised compliance with the principles of good administration;
- Participated in the meetings of the Board of Directors, interfaced with the Remuneration Committee and with Internal Control, Risk Management and Sustainability Committee and obtained regular information, at least on a quarterly basis, from the Board of Directors about the general performance of operations,

outlook and on the most material transactions in terms of profit or loss, cash flows and financial position, carried out by the Company and by the Group of entities it is the parent of (the "Group"), ensuring that the resolutions adopted and implemented were not blatantly imprudent, reckless, generating potential conflicts of interests, conflicting with resolutions adopted by the General Meeting of Shareholders or such as to jeopardize the integrity of the Company's equity; it is pointed out that the BoD deemed it unnecessary to set up an Appointments Board Committee, considering the Company's structure and size, as well as its ownership structure and the voting mechanism based on lists provided for by the Company's Articles of Association, which ensures a transparent appointment procedure and a balanced composition of the management body; having regards the Committee for Transactions with Related Parties, as in the reporting period no transaction with related parties was carried out which was not exempted in accordance with the Procedure for Transactions with Related Parties, in held no meetings (in compliance with CONSOB Regulation on transactions with related parties and with Article 2.1 of the Procedure for Transactions with the Related Parties, the Related Parties Committee is automatically set up with its members being the three independent directors, namely Mario Benito Mazzoleni, Giuseppe Vegas and Nicla Picchi, and there being therefore no need for any specific appointment resolution to be adopted by the Board of Directors);

- Supervised the appropriateness of the Company's organizational

structure, through direct observation, collection of information from the relevant Corporate Function Holders and interaction with the Board Committees;

- Supervised the consistency of the Company's decision-making structure with the decision-making powers entered in the Business Register, with its solid line reporting structure, with the decision making and implementing process, with the financial reporting process and with the definition and actual operation of the various levels of control;
- Supervised the adequacy and proper operation of the internal control and risk management system attending the meetings of the Internal Control and Risk Management Committee, obtaining information from the Directors, from the relevant Function Holders, from the Representatives of the Independent Audit Firm and from the *Organismo di Vigilanza* (the body in charge of offence prevention under Italian Legislative Decree 231/01). This Board also held meetings with the Company's Internal Audit Executive, Mr. Cesare Mileto, from whom it obtained information on the progress in the implementation of the Audit Plan for the reporting year, on the results of the audits carried out and on the remediation actions planned and implemented, as well as on the related follow-up and on the activities planned for the next financial year;
- Analyzed, finding no issues or problems, the 2024-2028 medium-term plan, which was prepared by the Company's Management and approved by the BoD on 13 December 2023, the draft separate and consolidated financial statements, the

transactions that were material in terms of profit or loss, financial position or cash flows, including any atypical or unusual transactions, intra-group transactions or transactions with related parties or transactions potentially in conflict of interests, as appropriately disclosed by the Directors in their report;

- Supervised the adequacy of the administration-accounting system, through meetings with the Chief Financial Officer, who is also the manager is charge of preparing the corporate accounting documents, Mr. Cristiano Contini, and with the Independent Audit Firm BDO S.p.A., also in order to exchange data and information;
- Supervised the methods for the implementation of the Corporate Governance rules adopted by the Company, also in compliance with the principles laid down in the Code. Specifically:
  - Verified proper application of the assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members;
  - Verified the independence of the Independent Audit Firm;
  - Assessed the independence of its members;
- Assessed the composition, size and operation of the BoD and of the appointed Committees, especially as regards the requirements to be met by independent directors, the determination of remunerations and the completeness, skills and responsibilities associated with each corporate function, with a favourable outcome;
- Supervised the adequacy of the instructions given to the subsidiaries, pursuant to Article 114, paragraph 2, of the Italian

Consolidated Law on Finance. Thanks to said instructions, the subsidiaries promptly provided the Company with all the necessary information to comply with its reporting obligations laid down by law;
- Supervised transactions with Related Parties and intra-group transactions; in this regard, we are of the opinion that the related reporting is adequate;
- Supervised proper fulfilment by the Company of its obligations under the Market Abuse Regulation, including the ones concerning internal dealings, its obligations in terms of "Savings Protection" and on corporate reporting and disclosures.

In the light of the above and considering the evolving nature of the Internal Control and Risk Management System, the analyses that were performed and the information that was obtained did not show any elements that might be ground for this Board to assess the Company's Internal Control and Risk Management system in its entirety as inadequate.

At the regular meetings that this Board had with the Internal Audit Function Holder and the OdV, no issues or problems were reported within their respective scopes of responsibility.

In the period, the activities of the Internal Audit department focused on the audits provided for by the Internal Audit Annual Plan for the FY, from the date of approval of the new Internal Audit Plan on 13 December 2022, besides audits on specific matters, which were started in the FY, on the input given by the Director in charge of the Internal Control and Risk Management System or by the Committee in charge of Internal Control, Risk Management and Transactions with Related Parties and, lastly, the comparison of the process risks set out in the Audit Plan to the ERM Report, which was updated on 6 June 2023 at the meeting of the Internal Control and Risk Management Committee. Specifically, the Audit Plan for the FY focused on the procurement process and on the HR management process. Having regard to the audit on procurement for purchasing management, some operational inefficiencies were found, about which the Company is assessing alternatives with digital media (having an impact on risk graded as "none"); having regard to HR management, the Internal Audit findings mostly concerned (i) the recommendation that oversight be kept on personnel training, with an audit on the training programme as reported and negotiated between the persons in charge and the recipients of the training initiatives, so that the provision of training is systematic where it is useful or appropriate; (ii) calling attention to the turnover of key staff, in order to reduce as much as possible any organizational discontinuity or disruption caused by one or more key staff members leaving the Company: this process will be developed based on the results of a skills mapping activity.

Furthermore, internal audits were performed on specific topics, such as: the time schedule of the closing of the accounts, the purchasing procedure, the information and cyber security systems, treasury management (remote banking services), personnel management and the operation of the management control and reporting system and the quality assessment of the services provided to purchasers. No specific problems but some improvement areas were found.

The annual report prepared by the Board of Directors on Corporate

closing of the accounts, the purchasing procedure, the cyber security systems, treasury management (remote banking services), personnel management and the operation of the management control and reporting system.

Having regard to the purchasing cycle and to the purchasing procedure, the Internal Audit department found that *"The organization is progressively adopting, with a procedural approach, all the necessary behaviours to comply with the defined authorizing process and with the criteria for its proper implementation,"* but, nonetheless, *"The audits showed that a material portion of formal checks is still carried out after receiving the invoices (the payment of which - it is worth noting - is blocked in case of non-compliance with the set criteria pending their correction in accordance with the procedure). However, as shown in the table, this is not material from a business risk standpoint, but rather it simply entails operational inefficiency. The cases in which correction is made afterwards were analyzed in order to understand the causes of non-compliance with the procedure."*.

Internal Audit Executive Mileto also reported that the Company *"is continuing with the functional analysis of digitalization of the entire process with the support of management applications, in order to eliminate all manual activities and to ensure that the behaviour of those requesting a product/service becomes more automatic. Furthermore, this new process is intended also to manage procurement information from the early stage of bidding by the invited vendors and to ensure that the information collected during negotiations and bid comparison is made more formalized and usable, also for vendor qualification purposes."*

Governance and on the Ownership Structure did not show any issues worth reporting to you.

Supervisory activities on the financial reporting process

This Board verified that appropriate rules and procedures are in place to steer the process of collection, preparation and presentation of financial information.

Therefore, this Board has assessed the financial reporting process as appropriate and is of the opinion that there is nothing to be reported to the General Meeting of Shareholders.

Supervisory activities on non-financial reporting and disclosures

The Board supervised compliance with Italian Legislative Decree 254/2016, verifying that the Company is not a large-sized Public Interest Entity (PIE) required to report its non-financial performances under Italian Legislative Decree 254/2016.

Complaints lodged and offences reported pursuant to Article 2408 of the Italian Civil Code. Any omissions, reprehensible deeds or irregularities found

No complaints were lodged with and no offences were reported to this Board under Article 2408 of the Italian Civil Code and no omissions, reprehensible deeds or irregularities were found.

Remuneration of the Directors, of the General Manager and of Senior Managers vested with strategic responsibilities

It is pointed out that, on 28 April 2021, the Company's BoD approved the Remuneration Policy applying to the members of the Board of

Directors and to its senior managers vested with strategic responsibilities upon the proposal made by the Remuneration Committee at its meeting held on 23 April 2021; the BoD also determined the related performance objectives. On 28 April 2021, the Company's BoD also approved the adoption of a Remuneration Plan for the 2021-2023 period (the "Plan"), to be submitted to the General Meeting of Shareholders for its approval under Article 114-bis of the Italian Consolidated Law on Finance, which shall apply to those who, on the share allotment date, are in office as executive Directors of the Company – at present Directors Luigi Francesco Gozzini and Marco Grillo – or those who have a permanent employment relationship with the Company and, specifically, who qualify as Senior Managers vested with Strategic Responsibilities of the Company - Mr. Marco Scalvini. On 31 May 2021, the Company's shareholders approved the "2021-2023 Stock Grant Plan" intended for the Company's Executive Directors and for its Senior Manager vested with strategic responsibilities, as well as an increase free of charge in the capital serving the 2021-2023 Stock Grant Plan of a maximum nominal value of Euro 5,100 equal to 1,020,000 shares at the most.

On 13 December 2022, after the Remuneration Committee gave its favourable opinion at its meeting held on the same date, in which this Board participated finding nothing to object, the BoD approved the report on the remuneration policy and on the remuneration awarded under Article 123-*ter* of the Italian Consolidated Law on Finance and approved: (i) the awarding to its members of the short-term variable components (MBO); (ii) the awarding to its members of the medium/long-term variable components (LTIP) of their respective remuneration, except for the ESG-related objective, which is the completion of the project for the upgrading of the Company's operational headquarters; its execution has been postponed due to the sudden increase in construction prices caused by the Russia-Ukraine crisis and, therefore, that variable remuneration component, amounting to 20% of the shares that could be allotted in 2022 in accordance with the 2021-2023 stock grant plan was also postponed to FY 2023. On 24 January 2023, the General Meeting of Shareholders resolved, with binding vote, the approval of the first section of the report on the remuneration policy for the FY ending on 30 September 2023, under Article 123-*ter* of the Italian Consolidated Law on Finance. On the same date, the General Meeting of Shareholders also approved, with non-binding vote, the second section of the report on the remuneration policy concerning the remunerations paid in the FY ended on 30 September 2022, under Article 123-*ter* of the Italian Consolidated Law on Finance. At its meeting held on 13 December 2023, after the Remuneration Committee gave its favourable opinion, the BoD resolved the approval of the Report on the remuneration policy for 2024 and of the remunerations paid to the Company's directors and senior managers vested with strategic responsibilities in FY 2023. At that meeting, the BoD also approved the proposal pursuant to Article 114-*bis* of the Italian Consolidated Law on Finance for an incentive planed based on financial instruments, namely the "2024-2028 Stock Grant Plan".

Other opinions expressed by the Board of Auditors

In FY 2023, the Board of Auditors did not express other opinions.

Supervision under Italian Legislative Decree no. 39/2010 – assessment of the independence of the Audit Firm

This Board supervised the statutory audit of the annual consolidated and separate accounts, and the independence of the Audit Firm retained for that task, with special focus on non-audit services provided and on the outcome of the statutory audit of the accounts.

Having regard to the independence of the Audit Firm BDO S.p.A., on a preliminary basis the Board of Auditors examined the proposals for the assignment of non-audit tasks to the Audit Firm, assessing especially their compliance with the prohibitions laid down in Article 5 of Regulation (EU) 537/2014 and the absence of any risks to the statutory auditor's independence resulting from the provision of non-audit services. As the requirements laid down by the applicable legislation were met, this Board approved the assignment of the service to BDO S.p.A.

In FY 2023 the Independent Audit Firm did not provide the Group with any services other than audit services.

It is also worth mentioning that, in the three consecutive FYs before the 2022/2023 FY, BDO S.p.A. did not provide any services to the Company and to the Group other than statutory audit services.

Observations and proposals contained in the Independent Auditors' Report

It represented that BDO S.p.A. issued:

- In its capacity as the appointed Independent Auditor, the reports required by Article 14 of Italian Legislative Decree 39/2010 and Article 10 of Regulation (EU) 537/2014; said reports give an opinion with no remarks on the separate and consolidated financial statements and certify that they provide a true and correct representation of the financial and capital position of the Company and of the Group as at 30 September 2023, as well as of profit or loss and cash flows in compliance with the applicable accounting and financial reporting standards;

- The additional report under Article 11 of Regulation (EU) 537/2014, stating that no problems were found, along with the confirmation under Article 6 of Regulation (EU) 537/2014 that no situations have emerged that may compromise its independence.

Self-assessment of the Board of Auditors

In compliance with "*Rules of Conduct of the Boards of Auditors of listed companies*" issued by the Italian National Council of Chartered Accountants and Accounting Experts, which require that the Board of Auditors carry out, after its appointment and thereafter on a yearly basis, an assessment of the activities it performed vs. its planned activities, of the eligibility of its members, of its suitable composition in terms of fit and proper requirements, as well independence requirements, and of the availability of appropriate time and resources consistently with the complexity of its duties (the "**Self-assessment**"), it is reported that this Board of Auditors carried out its Self-assessment for FY 1 Oct. 2022-30 Sept. 2023, recorded in separate minutes, whose favourable outcomes are specifically described in the Self-assessment Report and in the "*2023 Report on Corporate Governance and Ownership Structure*" of the Company under Article 123-bis of the

Italian Consolidated Law on Finance. Specifically, this Board positively assessed: its proper and effective operation and its suitable composition, both as regards the requirements laid down by the applicable legislation for its members and as regards skills and expertise, both individual and of the Board as a whole.

Meetings of the Board of Auditors, of the Board of Directors and of the Board Committees

In FY 2023:

- 8 meetings of the Board of Auditors were held, lasting on average 4.1 hours each;
- The Board of Auditors had regular meetings and exchanged information with the Representatives of BDO S.p.A.;
- 17 meetings of the Board of Directors were held. In this regard, it is reported that the Board of Directors has 6 members, namely Directors Marco Claudio Grillo, Luigi Francesco Gozzini, Eleonora Reni, Mario Benito Mazzoleni, Giuseppe Carlo Ferdinando Vegas and Nicla Picchi, 3 of whom are independent directors (Mazzoleni, Vegas and Picchi); 2 directors out of 6 are women;
- The Remuneration Committee held 2 meetings, which were attended by at least 1 auditor;
- The Control and Risk Committee held 4 meetings, which were attended by at least 1 auditor;
- The OdV held 5 meetings.

The Board of Auditors attended the meetings of the Board of Directors. Lastly, 2 General Meeting of Shareholders was held, on 24 January 2023 and 14 August 2023, and were attended by all Directors and by all members of the Board of Auditors.

On 13 December 2023, Chief Executive Officer Luigi Francesco Gozzini and the Manager in charge of the preparation of the corporate accounting documents, Cristiano Contini, issued the certification under Article 154-*bis* of the Italian Consolidated Law on Finance, warranting that the separate and consolidated financial statements were prepared in compliance with the International Accounting Standards and International Financial Reporting Standards endorsed by the European Union under Regulation (EC) no 1606/2002 of the European Parliament and of the Council of 19 July 2002, are consistent with the accounting books and entries and are fit to provide a true and correct representation of the financial and cash flow position and of the profit or loss of the Issuer and of the Group.

The Board of Auditors assessed the completeness and adequacy of the information provided by the Board of Directors in its reports, also about any material risks and uncertainties, as well as about the disputes to which the Company and the Group are exposed.

As stated by the Directors, no significant events occurred after the reporting date.

The Board of Auditors hereby expresses its favourable opinion on the approval of the Annual Report and separate and consolidated Financial Statements as at 30 September 2023 and agrees with the proposal for resolution submitted by the Board of Directors concerning the allocation of the profit (loss) for the period.

Milan, Italy, 28 December 2023

The Board of Auditors

(Ivano Passoni)

(Marco Dorizzi)

(Matteo Ceravolo)

Financial Statements

AT 30 SEPTEMBER 2023

Individual Statement of Financial Position

	Note	30.09.2023	Related parties	30.09.2022	Related parties
Intangible assets	1	2,696,514		2,447,176	
Property. plant and equipment	2	1,931,644		1,567,180	
Equity investments in subsidiaries	3.1;26	7,455,952	7,455,952	6,874,658	6,874,658
Equity investments in other companies	3.2	2,022,472		4,715,514	
Non-current financial assets	4;26	46,705,640	46,589,528	44,111,935	43,937,921
Prepaid taxes	5	116,172		290,098	
TOTAL NON-CURRENT ASSETS		**60,928,394**		**60,006,561**	
Trade receivables	6;26	632,805	43,879	9,990	
Receivables from subsidiaries	7;26	34,312,596	34,312,596	19,856,939	19,856,939
Current financial assets	4;26	1,250,000	1,250,000	10,668,158	10,668,158
Financial receivables	8;26	2,200,000	2,200,000	-	
Financial assets carried at fair value	9	15,220,554		-	
Othrer current assets	10	2,089,014		1,382,981	
Current tax assets	11	92,060		6,128,917	
Cash and cash equivalents	12	15,044,042		4,926,191	
TOTAL CURRENT ASSETS		**70,841,071**		**42,973,176**	
TOTAL ASSETS		**131,769,465**		**102,979,737**	
Share capital		133,004		132,654	
Reserves		44,497,159		45,033,840	
Previous years' profit (loss)		6,682,923		8,916,450	
Operating profit		25,968,357		7,692,297	
EQUITY	13	**77,281,443**		**61,775,241**	
Non-current financial liabilities	14	15,269,844		12,875,498	
Employee benefits	15	362,108		315,126	
Other non-current liabilities	16;26	335,184	335,184	281,755	281,755
Payables for deferred tax liabilities	5	174,385		42,349	
TOTAL NON-CURRENT LIABILITIES		**16,141,521**		**13,514,728**	
Current financial liabilities	14;26	8,721,432	1,412,124	14,320,590	1,725,521
Trade payables	17;26	934,317	6,760	952,008	20,321
Payables to subsidiaries	18;26	12,207,509	12,207,509	10,859,565	10,859,565
Other current payables and liabilities	19;26	10,587,787	30,000	1,434,015	321,000
Current tax liabilities	20	5,895,456		123,590	
TOTAL CURRENT LIABILITIES		**38,346,501**		**27,689,768**	
TOTAL LIABILITIES		**54,488,022**		**41,204,496**	
TOTAL LIABILITIES AND EQUITY		**131,769,465**		**102,979,737**	

Individual Income Statement

	Note	30.09.2023	Related parties	30.09.2022	Related parties
Revenue for services	21.1	16,245,657	16,245,657	9,225,776	9,225,776
Other revenue	21.2	1,021,710	166,188	618,184	55,326
TOTAL REVENUE	**21**	**17,267,367**		**9,843,960**	
Raw materials. semi-finished products and other materials purchased		54,862		56,760	
Services	22.1	7,162,545	1,446,580	6,300,221	2,383,084
Rental and similar		80,737		59,254	
Personnel expenses	22.2	3,150,671	200,000	2,352,629	200,000
Deprecation/Amortisation	22.3	1,472,303		1,314,041	
Impairment losses and provisions	22.4	43,341	43,341	598,047	52,547
Other operating expanses	22.5	391,851		351,989	
TOTAL OPERATING EXPENSES	**22**	**12,356,310**		**11,032,941**	
EBIT		**4,911,057**		**(1,188,981)**	
Reinstatement/(write-down) subsidiary investments	23	(186,587)	(186,587)	(500,000)	(500,000)
Financial income	24	28,176,185	3,902,482	10,009,755	7,900,000
Financial expenses	24	(3,809,332)		(477,493)	
EBT		**29,091,323**		**7,843,281**	
Income taxes	25	(3,122,966)		(150,984)	
Profit (loss) for the year from operating activities		**25,968,357**		**7,692,297**	
Profit (loss) for the year		**25,968,357**		**7,692,297**	

Individual Comprehensive Income Statement

	30.09.2023	30.09.2022
Profit (loss) for the year	**25,968,357**	**7,692,297**
Other comprehensive income		
That will not be subsequently reclassified in profit or loss for the year		
Employee benefits	(3,223)	104,593
Tax effect	774	(25,102)
Total	**(2,449)**	**79,491**
That will be subsequently reclassified in profit or loss for the year		
Hedging instruments	(57,902)	193,525
Tax effect	13,896	(46,446)
Total	**(44,006)**	**147,079**
Total change in OCI reserve	**(46,455)**	**226,570**
Comprehensive income for the period	**25,921,902**	**7,918,867**

Statement of Change in Equity

	Share capital	Share premium reserve	Legal reserve	Treasury stock reserve	Stock grant reserve	FTA reserve	OCI reserve	Profit from previous years	Profit for the year	Total
Equity at 1 October 2021	**129,677**	**36,886,375**	**39,651**	**-**	**2,379,457**	**(7,246)**	**(82,190)**	**2,156,305**	**6,760,145**	**48,262,174**
Profit (loss) for the year									7,692,297	**7,692,297**
Adtuarial valuation of TFR							79,491			**79,491**
Hedging instruments							147,079			**147,079**
Stock grant plan					1,733,794					**1,733,794**
Parent company capital increase	2,977	3,857,429								**3,860,406**
Allocation for the profit for the year								6,760,145	(6,760,145)	**-**
Equity at 30 September 2022	**132,654**	**40,743,804**	**39,651**	**-**	**4,113,251**	**(7,246)**	**144,380**	**8,916,450**	**7,692,297**	**61,775,241**

	Share capital	Share premium reserve	Legal reserve	Treasury stock reserve	Stock grant reserve	FTA reserve	OCI reserve	Profit from previous years	Profit for the year	Total
Equity at 1 October 2022	**132,654**	**40,743,804**	**39,651**	**-**	**4,113,251**	**(7,246)**	**144,380**	**8,916,450**	**7,692,297**	**61,775,241**
Profit (loss) for the year									25,968,357	**25,968,357**
Adtuarial valuation of TFR							(2,449)			**(2,449)**
Hedging instruments							(44,006)			**(44,006)**
Purchase of own shares				(1,115,515)						**(1,115,515)**
Dividend distribution								(9,925,824)		**(9,925,824)**
Stock grant plan	350	336,687			288,602					**625,639**
Allocation for the profit for the year								7,692,297	(7,692,297)	**25,968,357**
Equity at 30 September 2023	**133,004**	**41,080,491**	**39,651**	**(1,115,515)**	**4,401,853**	**(7,246)**	**97,925**	**6,682,923**	**25,968,357**	**77,281,443**

Individual statement of cash flows (indirect method)

	30.09.2023	30.09.2022
Operating activities		
Proft (loss) for the year	25,968,357	7,692,297
Income taxes	3,122,966	150,984
Financial income	(28,176,185)	(10,009,755)
Financial expenses	3,995,919	477,493
(Gains)/losses on the sale of companies	-	(5,431)
Net accruals to provision	347,793	1,203,127
Accrual to stock grant reserve	625,639	1,733,794
Impairment and deprecation/amortisation of property. plant and equipment and intangible assets	1,472,303	1,314,040
Cash flows before changes in net working capital	**7,356,792**	**2,556,549**
Increase/(decrease) in trade payables	930,253	4,173,826
Decrease/(increase) in trade receivables	(15,078,472)	(2,909,461)
Change in other current/non-current assets and liabilities	7,155,948	(4,030,460)
Net financial income/expenses collected/paid	27,573,432	7,071,393
Taxes paid	(78,998)	-
Use of provisions	(84,518)	(51,819)
Cash flows from (used in) operating activivties (A)	**27,774,437**	**6,810,028**
Investing activities		
Investments in property. plant and equipment	(194,303)	(207,227)
Disposal of property. plant and equipment	-	5,431
Investiments in Equity investments	736,490	-
Investiments in intangible assets	(441,531)	(942,147)
Disposal of intangible assets	-	-
Changes in non-current financial assets	(5,505,978)	(8,789,439)
Cash flows from (used in) investing activities (B)	**(5,405,322)**	**(9,933,382)**
Financing activities		
Bank loans raised	5,000,000	10,000,000
Bank loans repayments	(8,393,222)	(1,683,618)
Change in current/non-current financial liabilities	(990,131)	(5,186,042)
Net change in current financial assets	(6,752,396)	-
Investment in own shares	(1,115,515)	-
Share capital increase against consideration	-	3,860,406
Cash flows from (used in) financing activities (C)	**(12,251,264)**	**6,990,746**
Net cash flows in the period (A)+(B)+(C)	**10,117,851**	**3,867,392**
Cash and cash equivalents at the beginning of the year	**4,926,191**	**1,058,799**
Increase/(decrease) in cash and cash equivalents from 1 October to 30 September	10,117,851	3,867,392
Cash and cash equivalents at the end of the period	**15,044,042**	**4,926,191**

NOTES TO THE

Financial Statements

Corporate information

AbitareIn S.p.A. is a joint-stock company incorporated in 2016 in Italy, registered in the Company Register of Milan, with registered office in Milan, via degli Olivetani 10/12. The Company mainly carries out real estate development activities through its subsidiaries.

Unless otherwise specified, all amounts shown in the financial statements and in the notes are in Euro. The figures shown in the financial statements and in the notes are rounded up/down to ensure consistency with the figures shown in the statement of financial position and the income statement. In its capacity as Parent Company, AbitareIn has also prepared the consolidated financial statements of the Group as at 30 September 2023.

Accounting standards and measurement criteria

Basis of presentation

The separate financial statements for the year ended 30 September 2023 have been prepared in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as the provisions implementing Art. 9 of Legislative Decree no. 38/2005. IFRS also means the International Accounting Standards ("IAS") still in force, as well as all the interpretations issued by the IFRS Interpretation Committees, previously referred to as the International Financial Reporting Interpretations Committee ("IFRIC") and even earlier as Standing Interpretations Committee ("SIC"). These financial statements as at 30 September 2022 are the first IFRS financial statements prepared by the Company by virtue of the translating of the Company's shares on the MTA market, STAR segment. The attachment to the financial statements "First-time application of IFRS" provides the information required by IFRS 1 and, specifically, a description of the impacts that the transition to the IFRS has had on AbitareIn S.p.A.'s financial position and earnings.

The financial statements have been prepared on the basis of the historical cost principle, except for the fair value measurement of certain financial instruments.

These financial statements have been prepared on a going concern basis.

These separate financial statements for the year ended 30 September 2023 are authorised with resolution of the Board of Directors of 13 December 2023.

Financial Statements

The separate financial statements of AbitareIn as at 30 September 2023 include the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes, all prepared in accordance with the IFRS.

The schedules of the statement of financial position provide a classification of current and non-current assets and current and non-current liabilities where: (i) non-current assets include positive balances with a normal operating cycle beyond 12 months; (ii) current assets include positive balances with a normal operating cycle within 12 months, and cash and cash equivalents; (iii) non-current liabilities include payables beyond 12 months; (iv) current liabilities include payables within 12 months.

Finally, the statement of cash flows was prepared using the indirect method to determine cash flows from operating activities. Under this method, profit (loss) for the year is adjusted to account for the effects of non-cash transactions, any deferral or provision allocated for previous or future operational receipts or payments and any revenue or expense items as-sociated with cash flows from investing or financing activities.

Pursuant to IFRS 8, no information is provided in relation to operating segments as this is not deemed to be material.

Statement of amounts in the consolidated financial statements and notes

Unless otherwise specified, all amounts shown in the consolidated financial statements and in the notes are in Euro. The figures shown in the financial statements and in the notes are rounded up/down to ensure consistency with the figures shown in the statement of financial position and the income statement.

Measurement criteria

Revenue recognition

Revenues from contracts with customers have defined the rules to measure and recognise revenue from contracts for the sale of goods and services. The standard provides for a five-step model for revenue recognition for an amount that reflects the consideration which the entity believes to have the right to receive in exchange for the transfer of goods or ser-vices to the customer. The scope of application of the standard consists of all revenues deriving from contracts with customers, except for those regulated by other IAS/IFRS such as leases, insurance contracts and financial instruments. The fundamental steps for recognising revenue according to IFRS 15 are:

- identifying the contract with the customer;
- identifying the contractual obligations;
- determining the price;
- allocating the price at the contractual obligations;
- the revenue recognition criteria when the entity meets each contractual obligation.

Revenue from AbitareIn S.p.A. from sales of goods and services is attributable to the provision of services. The provision of services mainly refers to technical-professional services and remuneration of royalties to subsidiaries.

Dividends

Dividends are recognised at the time when shareholders are entitled to payment, which normally corresponds to the date of the Annual Shareholders' Meeting called to resolve on the distribution of dividends.

Property, plant and equipment

Property, plant and equipment are initially recognised at purchase or production cost, including other directly attributable costs. Interest expense linked to the construction of property, plant and equipment is capitalised and amortised over the residual useful life of the asset to which it refers.

Costs incurred after purchasing the assets and the cost of replacing some parts of this category of assets are capitalised only if they increase the expected future economic benefits of the asset they refer to. All other costs are recognised in profit or loss when incurred. If the cost of replacing some parts of the assets is capitalised, the residual value of the re-placed parts is recognised in profit or loss. If significant parts of such assets have different useful lives, such parts are recognised separately in accordance with the component approach.

Items of Property, plant and equipment are carried at cost less any accumulated depreciation and accumulated impairment losses in accordance with IAS 36. Depreciation is calculated on a straight-line basis over the asset's estimated useful life for the company and reviewed yearly. Any changes, where necessary, are applied prospectively.

The following main economic-technical rates have been used:

Category	Depreciation rate
Property	3%
Plant and machinery	30%
Furniture and fixtures	10%
Other assets	20%

Intangible assets

These items are initially recognised at purchase and/or production cost, including any directly attributable costs incurred to prepare the asset for use at the place and in the condition necessary for it to be able to function in the manner expected by the company management. Any interest expense accrued during and in relation to the development of other intangible assets is recognised directly through profit or loss. Production costs do not include research costs, which are recognised directly through profit or loss in the period in which they are incurred.

Vice-versa, development costs can be capitalised if the following conditions are satisfied: i) the project is clearly identified and the associated costs can be identified and measured reliably; ii) the technical feasibility of the project has been established; iii) there is a clear intention to complete the project and sell the intangible assets generated by the project; iv) a potential market exists or, in the case of internal use, the usefulness of the intangible asset has been established for the pro-duction of the intangible assets generated by the project; v) adequate technical and financial resources to complete the project are available.

Intangible assets acquired through business combinations are recognised at their fair value at the acquisition date if such value can be measured reliably. Software licences purchased are capitalised on the basis of the costs incurred to purchase them and prepare them for use. Amortisation is on a straight-line basis over the asset's estimated useful life. Intangible assets with a finite useful life are stated less any accumulated amortisation and accumulated impairment losses, to be calculated in accordance with the methods described in the following Section.

The following main economic-technical rates have been used:

Category	Depreciation rates
Development costs	20%
Other assets	20%

Leases

Starting from 1 January 2019, leases are treated in accordance with IFRS 16, which provides a new definition of lease and introduces a criterion based on the control (right of use) of an asset to distinguish leases from service contracts, identifying as the distinguishing features: the identification of the asset, the right to replace the asset, the right to obtain substantially all the economic benefits from using the asset and the right to direct the use of the asset underlying the contract.

The standard establishes a single model to recognise and measure leases for the lessee, which requires the recognition of the leased asset, including operating, under assets with a financial liability as balancing entry while also providing the option of not recognising under leases those contracts that relate to low-value assets and the leases with a duration of the contract of 12 months or less.

Based on the provisions of IFRS 16, the accounting representation of the leases payable (which is not the provision of ser-vices) takes place through recognising a financial liability in the balance sheet, represented by the current value of the lease payments due for recognising the right of use of the leased business as an asset. Lease payments include fixed payments, net of any incentives to be received, variable payments that depend on an index or rate, initially valued by using the values at the start of the contract, and the exercise price of any purchase option if the Company and/or the Group are reasonably certain of exercising it. The liability calculated in this way is subsequently adjusted over the lease term to reflect the payment of interest on the debt and repayment of the principal amount and may also be remeasured (with a corresponding adjustment to the corresponding right of use) if there is a change in future payments, in the event of rene-gotiation/amendment of the contractual agreements, or in the event of a change in the case of exercising purchase options. Whereas the right to use the leased asset is amortised over the term of the contract.

Impairment of assets

At the end of each year, the Group reviews the carrying amount of its property, plant and equipment and intangible assets to determine whether any impairment of the assets has occurred. If confirmed, the recoverable amount of the assets is estimated to measure any impairment losses.

Equity investments in subsidiaries

Equity investments in subsidiaries are recognised at the cost adjusted in the presence of impairment losses. These impairment losses are quantified on the basis of the recoverable amount determined with reference to the cash flows that the investee company will be able to produce prospectively. The positive difference, emerging at the time of purchase, be-tween the acquisition cost and the share of shareholders' equity at the current value of the investee pertaining to the company is, therefore, included in the carrying amount of the equity investment. Any impairment of this positive difference shall not be reversed in subsequent periods even if the conditions that had led to the impairment cease to apply. If any portion of the Company's losses in the investee exceeds the carrying amount of the equity investment, the equity in-vestment is zeroed, and the amount of the additional losses is recognised as a provision under liabilities if the Company is obliged to meet them. Any financial receivables that constitute medium/long-term interests in investees, whether they are subsidiaries, joint ventures and/or associates, are classified and measured in accordance with the provisions of IFRS 9, including, where significant, the application of the expected loss model to measure any impairment losses.

Equity investments in other companies

Equity investments in companies in which the Group does not hold control or exercise significant influence, generally reflecting an investment of less than 20%, are recognised at cost and subsequently measured at fair value. Changes in fair value are recognised through profit or loss.

Investments in associates

An associate is a company over which the Group exercises significant influence. Significant influence is defined as the power to participate in determining the financial and operating policies of the investee without having control or joint control over it. The considerations made to determine significant influence are similar to those required to determine control. The Group's investments in affiliates are valued using the equity method. Under the equity method, an investment in an associated company is initially recognized at cost. The carrying amount of the investment is increased or decreased to recognize the investor's share of the investee's profits and losses realized after the date of acquisition. Goodwill relevant to the associate is included in the carrying value of the investment and is not subject to amortization or an individual impairment test. The statement of profit/(loss) for the year reflects the Group's share of the associate's profit/(loss) for the year. Any changes in other comprehensive income related to these investees are presented as part of the Group's comprehensive income. In addition, where an associate recognizes a change with a direct charge to equity, the Group recognizes its share, where ap-plicable, in the statement of changes in equity. Unrealized gains and losses arising from transa- tions between the Group and associated companies are eliminated in proportion to the Group's share in the associated companies. The Group's aggregate share of net income/(loss) of associates is recognized in the statement of net income/(loss) after operating income/(loss) and represents net income after tax and the shares due to other shareholders of the associate. The financial statements of associates are prepared as of the same closing date as the Group's financial statements.

Trade and other receivables

Receivables falling due within normal business terms or which accrue interest at market values are not discounted and are recognised at nominal value. Receivables assigned without recourse are derecognised from the statement of financial position insofar as all of the related risks and benefits are substantially transferred to the assignee.

Receivables from customers exclusively for services rendered are recognised when the services have been completely supplied and, thus, when the ensuing right to receive the payment arises. Financial assets other than receivables from customers are recognised at the settlement date. On initial recognition, financial assets of such type are measured at cost, equivalent to the fair value of the instrument, inclusive of directly attributable transaction costs and revenue. Receivables with a due date beyond one year, non-interest bearing or bearing interest below the market rate, are discounted at rates equivalent to the return on instruments that have comparable technical characteristics and risk/yield profiles. Following initial recognition, financial assets of this category are measured at amortised cost. The initial recognition value is there-fore adjusted to take into account repayments of principal, any impairment and the amortisation of the difference be-tween the amount repaid and the initial carrying amount. Amortisation is effected at the actual internal interest rate, which is the rate that equalises, at the time of initial recognition, the present value of the expected cash flows and the initial carrying amount (amortised cost method). Vice-versa, trade receivables are measured at historical cost and are not amortised in view of their short due date. If there is objective evidence of impairment, the asset’s value is reduced to the discounted value of expected future cash flows. Impairment losses are recognised through profit or loss. The asset’s value is reinstated in subsequent periods if the reasons for the impairment no longer apply, up to the value it would have had at amortised cost if no impairment had occurred.

Impairment

IFRS 9 requires the Group to recognise expected credit losses on all items such as loans and trade receivables, with reference to a period of either 12 months or the entire contractual life of the instrument (lifetime expected credit loss). The Company applies the simplified approach and therefore recognises expected losses on all trade receivables on the basis of their residual contractual life. The Group has not seen any material impacts as it does not have receivables.

Cash and cash equivalents

Cash and cash equivalents include cash and bank current accounts and demand deposits and other short-term highly liquid financial investments that can be readily converted to cash and are not exposed to a significant risk of a change in value.

Equity

Share capital

The share capital consists of capital subscribed and paid to the Company. Costs associated exclusively with the issue of new shares are classified as a reduction of the share premium reserve, less the deferred tax effect.

Reserves

Reserves consist of equity reserves for specific uses. They also include the reserve created on the first-time adoption of the international financial reporting standards. Retained earnings (losses). These include earnings (losses) of previous years, specifically, the portion not distributed or set aside as reserve (in the case of profits) or not covered (in the case of losses).

Own actions

The repurchased treasury shares are recorded at cost and deducted from shareholders' equity. The purchase, sale or cancellation of treasury shares does not give rise to any profit or loss in the income statement. The difference between the purchase value and the consideration, in the event of reissue, is recorded in the share premium reserve. If share options are exercised during the period, these are satisfied with treasury shares.

Share-based payment

The AbitareIn Group grants additional benefits to some executives, employees and consultants, through "Stock Grant" plans. In accordance with IFRS 2 - Share-based payment, the aforesaid transactions are to be considered of the "equity-settled" type. Therefore, the total current value of the Stock Grants at the date on which the individual and/or Group targets are assigned is recognised as a cost in the income statement. Changes in the current value after the grant date do not affect the initial measurement. Remuneration expenses, equating to the current value of shares at the grant date, are recognised as personnel expenses on a straight-line basis over the period between the grant date and the vesting date, with a balancing entry in equity.

Employee benefits

In the context of defined benefit plans, which also include the severance indemnities payable to employees pursuant to art. 2120 of the Italian Civil Code, the amount of benefits payable to employees can only be quantified after termination of employment and is linked to one or more factors, such as age, years of service and salary. Therefore, the related expense is recognised through profit or loss in the relevant period based on an actuarial calculation. The liabilities recognised for defined benefit plans are the present value of the obligation at the reporting date. Obligations for defined benefit plans are measured yearly by an independent actuary using the projected unit credit method. The present value of the defined benefit plan is established by discounting future cash flows at an interest rate equal to that of bonds (high-quality corporate) issued in Euro and that takes into account the length of the related pension plan. Actuarial gains and losses arising from such adjustments and any changes in the actuarial assumptions are recognised through other comprehensive income.

As of 1 January 2007 the Budget Law 2007 and the related implementing decrees have introduced significant changes to the way employee severance indemnities work, including the right of employees to decide who manages the severance indemnities accrued. In detail, employees can now decide to allocate new indemnities accrued to pension schemes or to let the company manage these amounts. If the amounts accrued are transferred to an outside pension scheme, the Company is only subject to the requirement to pay a defined contribution to the chosen pension scheme and, from that date, the newly accrued amounts take the form of defined contribution plans and are no longer subject to actuarial valuation.

Financial assets

The Group classifies financial assets according to the categories identified in IFRS 9:

- financial assets measured at amortised cost.
- financial assets at fair value through other comprehensive income (FVOCI);
- financial assets at fair value through profit or loss for the year (FVTPL).

Financial assets measured at amortised cost

This category includes the financial assets for which the following requirements have been met: i) the asset is held within a business model whose objective is to hold the asset to collect the contractual cash flows; and ii) the contractual terms of the asset provide for cash flows represented solely by payments of the principal and interest on the amount of the principal to be repaid. They mainly consist of receivables from customers and loans. With the exception of trade receivables, which do not contain a significant financial component, other receivables and loans are initially recognised at their fair value. Trade receivables that do not contain a significant financial component are recognised at the price defined for the related transaction (determined in accordance with IFRS 15 Revenue from Contracts with Customers). At the subsequent measurement, the assets belonging to this category are measured at amortised cost, using the effective interest rate. Any allowance for impairment of these receivables is determined by adopting the forward-looking approach through a three-stage model: 1) recognition of the losses expected in the first 12 months at the initial recognition of the receivable, assuming that the credit risk has not increased; 2) recognition of the losses expected over the life of the receivable when the credit risk significantly increased from the initial recognition of the credit; interest is recognised as gross; 3) recognition of additional losses expected over the life of the receivable when the loss occurred; interest is recognised as net (the amortised cost is revised as the Internal Return Rate changes seeing that the cash flows changed due to the occurrence of the trigger event).

Financial assets measured at fair value through other comprehensive income (FVOCI) or contra entry in the income statement (FVTPL)

Financial assets for which the following requirements are verified are classified in this category: i) the asset is owned within the framework of a business model whose objective is achieved both through the collection of contractual financial flows and through the sale of the activity itself; and ii) the contractual terms of the asset provide for financial flows represented solely by payments of principal and interest on the principal amount to be repaid. Also classified in this category are capital instruments (shareholdings in which the Group exercises neither control nor significant influence) for which the Group applies the option granted by the principle of measuring these instruments at fair value with impact on overall profitability (in this regard, please refer to the previous paragraph 4). These assets are initially recognized in the financial statements at their fair value; at the time of subsequent measurement, the evaluation carried out at the time of registration is updated and any changes in fair value are recognized within the Other components of the comprehensive income statement or directly in the income statement. Any write-downs due to permanent losses in value, interest income and profits or losses due to exchange differences are recognized in profit or loss for the year. The Group has opted for fair value measurement with direct entry into the income statement (FVTPL) for the measurement of financial assets with the exception of equity investments in subsidiary companies and including tax credits for tax bonuses deriving from direct purchases or from discounts on the invoice.

Impairment on financial assets measured at amortised cost

The measurement of impairment losses on financial assets measured at amortised cost is carried out using a model based on the expected losses of receivables. According to this model, financial assets are classified in stage 1, stage 2 or stage 3, according to their credit quality compared to the initial disbursement.

In particular:

- Stage 1: includes i) newly acquired credit exposures, ii) exposures that have not undergone a significant deterioration in credit risk since the initial recognition date and iii) exposures with low credit risk.
- Stage 2: includes credit exposures that, though not impaired, have suffered a significant deterioration in credit risk since the initial recognition date.

Stage 3: includes impaired credit exposures. For exposures belonging to stage 1, the total value adjustments are equal to the expected loss calculated over a period of up to one year. For exposures belonging to stages 2 or 3, the total adjustments are equal to the expected loss calculated over a time horizon equal to the entire life of the exposure. The criteria for determining the impairment to be made to receivables are based on discounting expected cash flows by principal and interest. For the purposes of calculating the present value of the flows, the fundamental elements include the identification of the estimated collections, their collection dates and the discount rate to be applied. In particular, the amount of the loss is obtained as the difference between the carrying amount and the present value of the estimated cash flows, discounted at the original interest rate of the financial asset. These assets are classified as current assets, except for quotas maturing after more than 12 months, which are included among non-current assets.

Derivative financial instruments

Derivative financial instruments are used for hedging purposes, in order to reduce the risk of variability in the interest rate. All derivative financial instruments are measured at fair value. When the financial instruments have the characteristics to be accounted for under hedge accounting, the following ac-counting treatment is applied:

- Fair value hedge - If a derivative financial instrument is designated to hedge the exposure to changes in the fair value of an asset or liability attributable to a particular risk that may have an impact on the income statement, the gain or loss deriving from subsequent measurements of the fair value of the hedging instrument is recognised in the income statement. The gain or loss on the hedged item, attributable to the hedged risk, changes the carrying amount of this item and is recognised in the income statement.
- Cash flow hedge - If a derivative financial instrument is designated to hedge the exposure to variability in the future cash flows of an asset or liability recognised in the balance sheet or a highly probable transaction that could have an impact on the income statement, the effective portion of the gains or losses on the derivative financial instrument is recognised as a component of total profit or loss. The cumulative gain or loss is eliminated from equity and recognised in the income statement in the same period when the related economic effect of the transaction being hedged is recognised. The gain or loss associated with a hedge (or part of a hedge) that has become ineffective is recognised in the income statement.
  If a hedging instrument or a hedging relationship is closed, but the hedged transaction has not yet taken place, cumulative gains and losses, up to that moment recognised in equity, are recognised in the income statement when the related trans-action takes place. If the transaction being hedged is no longer considered likely, the unrealised gains or losses suspended in equity are immediately recognised in the income statement.
  If hedge accounting cannot be applied, the gains or losses from the fair value measurement of the derivative financial instrument are immediately recognised in the income statement.

Tax credits for tax building bonuses

The earthquake bonus credits

The earthquake bonus credits acquired by customers through invoice discount and credit transfer were recorded at the purchase cost. At the closing of the financial statements, in the year of acquisition, the value of the credit was aligned with the fair value deducible from the active market (value of sale to financial intermediaries). The effects on the income statement deriving from this alignment were accounted for in financial management. In the period following the first recognition, the credit is valued using the amortized cost method.

Financial liabilities

Financial liabilities are classified, on initial recognition, as financial liabilities at fair value through profit or loss, under mortgages and loans or under derivatives designated as hedging instruments. All financial liabilities are initially recognised at fair value, to which directly attributable transaction costs are added in the case of loans and debt.

The Company's financial liabilities include trade payables, other payables and loans, including financial instruments and derivatives.

After initial recognition, loans are measured at amortised cost using the effective interest rate method. Gains and losses are recognised through profit or loss when the liability is settled, as well as through the amortisation process.

The amortised cost is calculated by recognising the acquisition discount or premium, as well as fees and costs that are an integral part of the effective interest rate. Amortisation at the effective interest rate is recognised under financial expenses in the income statement.

Financial liabilities are derecognised when the obligation underlying the liability is settled, cancelled or fulfilled. If an out-standing financial liability is replaced with another of the same lender, at conditions that are substantially different, or where the conditions of an outstanding liability are modified substantially, such replacement or modification is treated as a derecognition of the original liability and a new liability is recognised. Any difference in the carrying amount is recognised through profit or loss.

Provisions for risks and charges

Provisions for risks and charges are costs and charges of an established nature, the existence of which is certain or probable, but whose amount or timing is uncertain at the reporting date. Such provisions are set aside only if there is a present obligation arising from past events, whether deriving from a legal requirement, a contract or from the company's statements or actions that create a valid expectation on the part of the parties involved (obligating events).

Provisions are recognised in the financial statements when the company has a present obligation arising from a past event and it is probable that it will be asked to fulfil the obligation.

Provisions are based on the best estimate of the costs to be incurred to fulfil the obligation at the reporting date and are discounted when the effect is material.

Income taxes

Income taxes include current and deferred taxes. Income taxes are usually recognised through profit or loss, unless they refer to transactions or events recognised directly in equity.

Income taxes are calculated by applying the tax rate applicable at the reporting date to taxable profit for the period.

Deferred taxes are measured in accordance with the liability method, based on the temporary differences between the carrying amount of the assets and liabilities and the amounts recognised for tax purposes. Deferred taxes are measured at the tax rate that is expected to apply when the asset is realised or the liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable profit will allow the deferred tax asset to be realised.

Deferred tax assets and liabilities are offset only if there is a legally enforceable offset right and when they relate to in-come taxes levied by the same taxation authority.

Use of estimates

In preparing the financial statements and the related notes in accordance with the IFRS, the management is required to make estimates and assumptions that have an impact on the value of revenue, costs, assets and

liabilities in the financial statements and on disclosures of contingent assets and liabilities at the reporting date. The final figures may differ from these estimates due to the uncertainty underlying the assumptions and the conditions on which the estimates are based. Consequently, any change in the conditions underlying the associated opinions, assumptions and estimates could have a significant impact on subsequent performance. Estimates are used to determine the fair value of real estate investments, financial instruments and derivatives. The management reviews the estimates and assumptions periodically and, if necessary, these are backed by opinions and studies of independent consultants of primary standing (e.g. property appraisal). The effects of any changes are reflected in the income statement.

The following estimates used in the financial statements are deemed significant in that they involve extensive use of subjective opinions, assumptions and estimates:

- The value of the earthquake bonus credits acquired by customers and of the accrued ecobonus credits has been aligned with the fair value deducible from the active market (value of transfer to financial intermediaries).
- Taxes: income taxes, related only to non-exempt operations, are estimated on the basis of the forecast of the actual amount that will be payable to the Revenue Agency in the annual tax return. Prepaid taxes are recognised on the basis of income forecasts for the coming years, taking into account the tax regime applicable to the Company, and are calculated at the tax rates that are expected to apply in the reporting periods in which the temporary differences will be realised or settled.
- Medium/long-term share-based incentive plans: these plans provide that the estimated number of rights accruing up to maturity is updated at the end of each reporting period. The measurement is made with the help of external experts.

New accounting standards, amendments and interpretations applicable from 1 January 2022

The following IFRS accounting standards, amendments and interpretations are applicable in the preparation of IFRS financial statements starting from 1 January 2022, but have not had an impact on the preparation of these financial statements closed on 30 September 2023.

Amendments to IFRS 3 Business Combinations: the amendments aim to update the reference in IFRS 3 to the Conceptual Framework in the revised version, without this entailing changes to the provisions of the standard.

Amendments to IAS 16 Property, Plant and Equipment: the amendments aim to not allow the amount received from the sale of goods produced in the test phase of the activity itself to be deducted from the cost of tangible assets. These sales revenues and related costs will therefore be recognized in the income statement.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that in the estimate of the possible onerousness of a contract, all costs directly attributable to the contract must be considered. Consequently, the evaluation of the possible onerousness of a contract includes not only the incremental costs (such as, for example, the cost of the direct material used in processing), but also all the costs that the company cannot avoid because has stipulated the contract (such as, for example, the share of depreciation of the machinery used to fulfill the contract).

Annual Improvements 2018-2020: changes have been made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

The adoption of these amendments did not have any effects on the Company's financial statements.

Accounting standards, amendments and IFRS interpretations of future effectiveness

With reference to the IFRS principles, approved by the IASB and approved for adoption in Europe, whose mandatory effective date is after 01 January 2022, we note the following.

On 12 February 2021, the IASB published two amendments called “Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2” and “Definition of Accounting Estimates - Amendments to IAS 8”. The amendments are aimed at improving the disclosure on accounting policies in order to provide more useful information to investors and other primary users of the financial statements as well as to help companies distinguish changes in accounting estimates from changes in accounting policy. The changes will apply from 1 January 2023, but early application is permitted.

On 7 May 2021 the IASB published an amendment called "Amendments to IAS 12 Income Taxes: Defer-red Tax related to Assets and Liabilities arising from a Single Transaction". The document clarifies how deferred taxes must be accounted for on some operations that can generate assets and liabilities of the same amount, such as leasing and dismantling obligations. The changes will apply from 1 January 2023, but early application is permitted.

Any impacts on the financial statements deriving from the aforementioned amendments are still being evaluated.

NOTES

to key items of the Statement of Financial Position

Note 1. Property, plant and equipment

The table below shows the breakdown of the item property, plant and equipment at 30 September 2023 and 30 September 2022.

	30.09.2023	30.09.2022	Change
Property	621,210	644,656	(23,446)
Plant and machinery	10,382	19,816	(9,434)
General equipment	27,117	27,766	(649)
Other property. plant and equipment	1,272,935	874,942	397,993
Total	**1,931,644**	**1,567,180**	**364,464**

The table below shows changes in Property, plant and equipment at the reporting dates 30 September 2023 and 30 September 2022, by individual asset category.

	Property	Plant and machinery	General equipment	Other property. plant and equipment	Total property. plant and equipment
Opening balance					
Cost	729,442	46,643	34,264	1,494,681	**2,305,030**
Amortisation (accumulated amortisation)	(84,786)	(26,827)	(6,498)	(619,739)	**(737,850)**
Carrying amount	**644,656**	**19,816**	**27,766**	**874,942**	**1,567,180**
Changes in the period					
Increases for acquisitions	-	-	1,995	592,306	**594,301**
Reclassifications (of carrying amount)	-	-	-	-	**-**
Amortisation in the year	(23,446)	(9,434)	(2,644)	(194,313)	**(229,837)**
Total changes	**(23,446)**	**(9,434)**	**(649)**	**397,993**	**364,464**
Closing balance					
Cost	729,442	46,643	36,259	2,086,987	**2,899,331**
Amortisation (accumulated amortisation)	(108,232)	(36,261)	(9,142)	(814,052)	**(967,687)**
Carrying amount	**621,210**	**10,382**	**27,117**	**1,272,935**	**1,931,644**

The item "Other property, plant and equipment" increased mainly by a total amount of Euro 400 thousand which refers to the purchase of works of art which will be allocated on loan for use in various real estate projects. The item also increased by a total amount of Euro 127 thousand for the setting up of the new offices in Viale Umbria, 36.

Note 2. Intangible assets

The table below shows the breakdown of the item Intangible assets at 30 September 2023 and 30 September 2022.

	30.09.2023	30.09.2022	Change
Development cost	868,662	1,092,471	(223,809)
Concessions. licences. trademarks and similar rights	327	358	(31)
Assets under construction and payments on account	504	504	-
Other intangible assets	1,827,021	1,353,843	473,178
Total	**2,696,514**	**2,447,176**	**249,338**

The table below shows changes in Intangible assets at the reporting dates 30 September 2023 and 30 September 2022, by individual asset category.

	Development cost	Concessions. licences. trademarks and similar rights	Assets under construction and payments on account	Other intangible assets	Total intangible assets
Opening balance					
Cost	2,555,538	23,817	504	3,288,668	**5,868,527**
Amortisation (accumulated amortisation)	(1,463,067)	(23,459)	-	(1,934,825)	**(3,421,350)**
Carrying amount	**1,092,471**	**358**	**504**	**1,353,843**	**2,447,176**
Changes in the period					
Increases for acquisitions	274,565	-	-	1,363,266	**1,637,831**
Decreases for disposals	-	-	-	(203,829)	**(203,829)**
Reclassifications (of carrying amount)	-	-	-		**-**
Amortisation in the year	(498,374)	(31)	-	(744,061)	**(1,242,466)**
Fund use	-	-	-	57,802	**57,802**
Tiotal changes	**(223,809)**	**(31)**	**-**	**473,178**	**249,338**
Closing balance					
Cost	2,830,103	23,817	504	4,448,105	**7,302,529**
Amortisation (accumulated amortisation)	(1,961,441)	(23,490)	-	(2,621,084)	**(4,606,015)**
Carrying amount	**868,662**	**327**	**504**	**1,827,021**	**2,696,514**

The increase in development costs is attributable, for an amount equal to Euro 275 thousand, to the investment made by the company in relation to the development and integration activity of the AbitareIn Corporate E-Commerce platform, fully integrated with all company processes, aimed at selling houses online and developing and integrating an online configurator for apartments. These costs relate to the costs for services rendered by third parties. The development costs incurred by the Group relate to projects that comply with the requirements of IAS 38.

Furthermore, the item "other intangible assets" increased by Euro 1,191 thousand as a result of the registration of the right of use relating to the rental contract for the new offices at Viale Umbria, 36 and increased by Euro 109 thousand as a result of the registration of the right of use relating to the rental contract for the new offices at Viale Umbria, 32.

The item "other intangible assets" decreased by Euro 204 thousand due to the termination, which occurred in May, relating to the rental contract relating to the offices at viale Umbria, 36.

Note 3. Equity investments

Note 3.1 Equity investments in subsidiaries

The breakdown and changes of this grouping of items are as follows:

Subsidiaries	30.09.2022	Cost Incr.(decr.)	30.09.2023
AbitareIn Development 3 Srl	205,000	200,000	405,000
AbitareIn Development 4 Srl	310,000	160,000	470,000
AbitareIn Development 5 Srl	22,000	-	22,000
AbitareIn Development 6 Srl	30,000	3,000	33,000
AbitareIn Development 7 Srl	150,000	-	150,000
AbitareIn Maggiolina Srl	1,481,658	-	1,481,658
Accursio Srl	680,000	250,000	930,000
City Zeden Srl	18,000	210,686	228,686
Citynow Srl	10,000	12,000	22,000
Costruire In Srl	-	10,000	10,000
Creare Srl	10,000	-	10,000
Edimi Srl	-	10,000	10,000
Homizy SpA	86,000	-	86,000
Hub32 Srl	-	10,000	10,000
Immaginare Srl	22,000	50,000	72,000
Just Home Srl	-	10,000	10,000
Lambrate Twin Palace Srl	100,000	170,000	270,000
Milano City Village Srl	752,000	-	752,000
Milano Progetti Srl	1,150,000	(1,150,000)	-
Mivivi Srl	67,000	70,000	137,000
MyCity Srl	132,000	100,000	232,000
MyTime Srl	-	10,000	10,000
New Tacito Srl	-	205,608	205,608
Palazzo Naviglio Srl	390,000	-	390,000
Porta Naviglio Grande Srl	210,000	60,000	270,000
Savona 105 Srl	490,000	130,000	620,000
TheUnits Srl	48,000	40,000	88,000
Trilogy Towers Srl	470,000	-	470,000
Volaplana Srl	26,000	-	26,000
Ziro Srl	15,000	20,000	35,000
Total	**6,874,658**	**581,294**	**7,455,952**

During the year, the stake in Milano Progetti S.r.l. was sold. to third parties.

The increase in the shareholdings of the other companies is due to the waiver of the loan to cover losses.

During the year, the acquisition of the equity investment in New Tacito S.r.l. was carried out. a participation, a company that owns real estate.

The list of equity investments in subsidiaries, with an indication of the breakdown of shareholders' equity and equity interests, is as follows:

Subsidiaries	Registered office	Share capital	Equity as at 30.09.2022	Of which operating result	%	% exercisable voting rights	Amount allocated in the financial statemets at cost	Difference between shareholders' equity and shareholding value
AbitareIn Development 3 Srl	Milan	10,000	10,292	(234,865)	100%	100%	405,000	(394,708)
AbitareIn Development 4 Srl	Milan	10,000	17,127	(186,924)	100%	100%	470,000	(452,873)
AbitareIn Development 5 Srl	Milan	10,000	893,561	(88,032)	100%	100%	22,000	871,561
AbitareIn Development 6 Srl	Milan	10,000	11,318	(5,942)	100%	100%	33,000	(21,682)
AbitareIn Development 7 Srl	Milan	10,000	558,336	(78,219)	100%	100%	150,000	408,336
AbitareIn Maggiolina Srl	Milan	100,000	256,868	(94,566)	100%	100%	1,481,658	(1,224,790)
Accursio Srl	Milan	10,000	17,230	(269,087)	100%	100%	930,000	(912,770)
City Zeden Srl	Milan	10,000	403,543	(7,760)	100%	100%	228,686	174,857
Citynow Srl	Milan	10,000	11,568	(11,347)	100%	100%	22,000	(10,432)
Costruire In Srl	Milan	10,000	33,312	23,312	100%	100%	10,000	23,312
Creare Srl	Milan	10,000	4,073	(6,661)	100.00%	100.00%	10,000	(5,927)
Deametra Siinq Srl	Milan	50,000	25,295	(286,659)	70.72%	70.72%	-	25,295
Edimi Srl	Milan	10,000	10,000	0	100%	100%	10,000	-
Homizy Siiq SpA	Milan	115,850	14,223,836	387,727	71%	71%	86,000	14,137,836
Hommi Srl	Milan	10,000	9,854	(5,661)	71%	71%	-	9,854
Housenow Srl	Milan	10,000	10,560	(5,388)	71%	71%	-	10,560
Hub32 Srl	Milan	10,000	10,000	0	100%	100%	10,000	-
Immaginare Srl	Milan	10,000	13,108	(47,892)	100%	100%	72,000	(58,892)
Just Home Srl	Milan	10,000	10,000	0	100%	100%	10,000	-
Lambrate Twin Palace Srl	Milan	10,000	14,942	(173,939)	100%	100%	270,000	(255,058)
Milano City Village Srl	Milan	10,000	2,735,531	2,560,388	100%	100%	752,000	1,983,531
Mivivi Srl	Milan	10,000	10,932	(79,728)	100.00%	100.00%	137,000	(126,068)
MyCity Srl	Milan	10,000	15,566	(102,087)	100%	100%	232,000	(216,434)
MyTime Srl	Milan	10,000	10,000	0	100%	100%	10,000	-
New Tacito Srl	Milan	10,000	49,209	(3,117,897)	100%	100%	205,608	(156,399)
Palazzo Naviglio Srl	Milan	10,000	2,350,457	2,334,858	100%	100%	390,000	1,960,457
Porta Naviglio Grande Srl	Milan	10,000	16,270	(120,340)	100%	100%	270,000	(253,730)
Savona 105 Srl	Milan	10,000	11,170	(143,824)	100%	100%	620,000	(608,830)
Smartcity Siinq Srl	Milan	50,000	13,232	(60,272)	71%	71%	-	13,232
TheUnits Srl	Milan	10,000	14,452	(40,787)	100%	100%	88,000	(73,548)
Trilogy Towers Srl	Milan	10,000	7,104,349	7,084,627	100%	100%	470,000	6,634,349
Volaplana Srl	Milan	10,000	54,630	37,947	100%	100%	26,000	28,630
Ziro Srl	Milan	10,000	11,352	(20,678)	100%	100%	35,000	(23,648)
Total amount allocated in the financial statements							**7,455,952**	**21,486,021**

With reference to equity investments, the book value of the investment in City Zeden S.r.l. was adjusted. for a value of Euro 187 thousand, aligning it with the transfer value envisaged by the preliminary sale agreement signed on 24 November 2023. The negative differences between the value of the investment and the net equity attributable do not represent lasting losses in value as the value of the investments and financial credits are intended to be recoverable from the expected financial flows deriving from the completion of the projects.

Note 3.2 Equity investments in other companies

The composition and movements of this group of entries are as follows:

Other companies	30.09.2022	Cost Incr. (decr.)	30.09.2023
Tecma Solutions S.p.A.	4,712,540	(2,793,042)	1,919,498
Arras Group	-	100,000	100,000
BCC	2,974	-	2,974
Total	**4,715,514**	**(2,693,042)**	**2,022,472**

The item in question is mainly represented by the shares held in Tecma Solutions S.p.A. (7.3% of the share capital), a company listed on the Euronext Growth Milan, specialised in Real Estate Business Innovation for an amount equal to Euro 1,919 thousand.

The carrying amount decreased by Euro 2,793 thousand due to the revaluation generated by the alignment of the carrying amount to fair value at 30 September 2023 as the asset is classified as Financial assets at fair value through profit or loss (FVTPL). The quoted value at 30 September 2023 of EUR 3.34 per share was used as the fair value benchmark.

The item in question also includes a minority stake in the share capital, held in the company Ar-ras Group S.p.A., a company listed on Euronext Growth Milan PRO, specialized in real estate development in tourist locations for an amount equal to Euro 100 thousand.

The residual amount of Euro 3 thousand relates to shareholdings held in Banca di Credito Cooperativo.

It should be noted that the book value of the associated company Via Bombay n.1 S.r.l. was completely written off for a total value of Euro 24 thousand, aligning it with the value of the net equity of the associated company pertaining to the Group.

Note 4. Current and non-current financial assets

The composition and movements of current and non-current financial assets, towards subsidiaries, are as follows:

	Opening position			Change in period			Closing position		
Subsidiaries	Non-current financial assets	Provision for impairment	Balance at 30.09.2022	Incr. (decr.) financial receivables	Reclassification of provision for impairment	Reversal (impairment)	Non-current financial assets	Provision for impairment	Balance at 30.09.2023
AbitareIn Development 3 Srl	1,131,259	-	1,131,259	901,926	-	-	2,033,185	-	2,033,185
AbitareIn Development 4 Srl	4,036,810	-	4,036,810	1,307,000	-	-	5,343,810	-	5,343,810
AbitareIn Development 5 Srl	2,230,310	-	2,230,310	-	-	-	2,230,310	-	2,230,310
AbitareIn Development 6 Srl	230	-	230	999	-	-	1,229	-	1,229
Accursio Srl	7,146,169	-	7,146,169	873,000	-	-	8,019,169	-	8,019,169
City Zeden Srl	2,001,000	-	2,001,000	(238,273)	-	-	1,762,727	-	1,762,727
Citynow Srl	-	-	-	1,094,000	-	-	1,094,000	-	1,094,000
Immaginare Srl	774,088	-	774,088	16,200	-	-	790,288	-	790,288
Lambrate Twin Palace Srl	3,023,000	-	3,023,000	(170,000)	-	-	2,853,000	-	2,853,000
Milano Progetti Srl	8,860,000	-	8,860,000	(8,860,000)	-	-	-	-	-
Mivivi Srl	1,813,994	-	1,813,994	1,053,000	-	-	2,866,994	-	2,866,994
MyCity Srl	2,331,837	-	2,331,837	(502,409)	-	-	1,829,428	-	1,829,428
Porta Naviglio Grande Srl	4,669,500	-	4,669,500	2,260,000	-	-	6,929,500	-	6,929,500
Savona 105 Srl	3,599,912	-	3,599,912	245,000	-	-	3,844,912	-	3,844,912
TheUnits Srl	310,900	-	310,900	262,164	-	-	573,064	-	573,064
Volaplana Srl	690,500	-	690,500	-	-	-	690,500	-	690,500
Ziro Srl	1,318,412	-	1,318,412	4,409,000	-	-	5,727,412	-	5,727,412
Total financial assets vs. non-current subsidiaries	**43,937,921**	**-**	**43,937,921**	**2,651,607**	**-**	**-**	**46,589,528**	**-**	**46,589,528**
AbitareIn Development 7 Srl	428,812	-	428,812	(428,812)	-	-	-	-	-
Homizy Siiq SpA	-	-	-	1,250,000	-	-	1,250,000	-	1,250,000
Milano City Village Srl	6,728,600	-	6,728,600	(6,728,600)	-	-	-	-	-
Palazzo Naviglio Srl	1,356,300	-	1,356,300	(1,356,300)	-	-	-	-	-
Trilogy Towers Srl	2,154,446	-	2,154,446	(2,154,446)	-	-	-	-	-
Total financial assets vs. current subsidiaries	**10,668,158**	**-**	**10,668,158**	**(9,418,158)**	**-**	**-**	**1,250,000**	**-**	**1,250,000**
Total financial assets vs. subsidiaries	**54,606,079**	**-**	**54,606,079**	**(6,766,551)**	**-**	**-**	**47,839,528**	**-**	**47,839,528**

Current and non-current financial assets consist of loans granted to subsidiaries and are interest-bearing

In addition, this item consists of the financial assets arising from the mark-to-market valuation of cash flow hedge derivatives entered into by AbitareIn S.p.A. in the amount of Euro 116 thousand.

Note 5. Deferred tax assets and liabilities

Deferred tax assets as at 30 September 2023 amount to Euro 116 thousand, mainly relate to the application of IFRS 16.

Note 6. Trade receivables

Trade receivables amount to Euro 632 thousand. These receivables are recognised net of the provision for bad debt. There are no past due receivables.

Note 7. Receivables from subsidiaries

This item amounted to Euro 34,313 thousand (Euro 19,857 thousand as at 30 September 2022) and includes:

	30.09.2023	30.09.2022	Change
Receivables for interest on interest-bearing loans	4,259,851	2,802,388	1,457,463
Group VAT credit	212,686	185,173	27,513
Receivables for CNM	5,678,938	828,563	4,850,375
Trade receivables	23,417,799	14,742,693	8,675,106
Miscellaneous receivables	743,322	1,298,122	(554,800)
Total	**34,312,596**	**19,856,939**	**14,455,657**

CNM receivables consist of the assumption by AbitareIn S.p.A., as the tax consolidating entity, of the tax charges generated by the subsidiaries.

Trade receivables and sundry receivables mainly refer to receivables from subsidiaries for invoices issued and invoices to be issued, mainly related to chargebacks of administrative services, technical expenses, intellectual property remuneration and other items.

Note 8. Financial receivables

As of 30 September 2023, the item in question is made up exclusively of an interest-bearing loan granted by the holding company AbitareIn S.p.A. in Via Bombay n.1 S.r.l. in which the company holds a stake equal to 49% of the share capital. Via Bombay n.1 S.r.l. specializes in the construction of residential and non-residential properties.

Note 9. Financial assets carried at fair value

As of 30 September 2023, the item in question is made up exclusively of the opening of investment lines carried out by the holding company AbitareIn S.p.A. The booking value is generated by the alignment of the book value to the fair value at 30 September 2023 as the asset is classified as Financial assets measured at fair value with a contra entry in the income statement (FVTPL).

Note 10. Other current assets

Other current assets amounted to Euro 2,089 thousand (Euro 1,383 thousand at the end of the previous reporting peri-od). This item is mainly refer to:

- a bonus earthquake credit purchased mainly by customers through the transfer of credit for a total value of Euro 929 thousand;
- an advance for a total value of Euro 67 thousand to the company that provides corporate welfare to employees;
- Security deposits for a total value of Euro 198 thousand.

It also includes, for Euro 395 thousand, prepayments and accrued income, mainly relating to software licenses and insurance premiums.

Note 11. Current tax assets

Current tax assets of Euro 92 thousand consist exclusively of tax credits linked to Research and Development activities.

Note 12. Cash and cash equivalents

The table below shows the breakdown of cash and cash equivalents as at 30 September 2023 and 30 September 2022.

	30.09.2023	30.09.2022	Change
Bank an postal accounts	15,043,408	4,925,702	10,117,706
Cash-in-hand and cash equivalents	634	489	145
Total	**15,044,042**	**4,926,191**	**10,117,851**

The balance of cash and cash equivalents, fully reported in Euro, reflects liquid funds, cash-in-hand and cash equivalents at the respective reporting dates.

Cash and cash equivalents held at 30 September 2023 are unrestricted and not tied to a particular use.

Note 13. Equity

Shareholders' equity increased as a result of the profit for the reference period and decreased as a result of the distribution of the dividend.

OCI reserve

The item in question shows a positive value of Euro 98 thousand (positive for Euro 144 thousand as at 30 September 2022) and includes:

- gains/(losses) that will be transferred to the income statement, relating to the cash flow hedge reserve on the hedging derivative, which shows a negative change of Euro 44 thousand (positive change of Euro 147 thosand at 30 September 2022).
- gains/(losses) that will not be transferred to the income statement relating to the actuarial valuation of the provision for severance pay as required by IAS 19, which show a negative change of Euro 2 thousand (positive change for Euro 79 thousand as at 30 September 2022).

Stock Grant

On 31 May 2021, the Shareholders' Meeting of AbitareIn S.p.A. approved the 1:10 stock split of the shares, operational starting from 21 June 2021. The same meeting also approved the "2021-2023 Stock Grant Plan" for executive directors of the Company and Strategic Manager, together with the free share capital increase to service the Plan. The Stock Plan is part of the remuneration policy for the Company's directors and provides for the free assignment of shares to executive directors, subject to achieving specific performance targets established by the BoD. The Plan is also aimed at the Company’s Executive with Strategic Responsibilities.

The Plan has a three-year time frame and aims to promote and pursue the objectives of aligning the remuneration of beneficiaries with the interests of shareholders as well as retaining the management, by envisaging overall, upon achievement of the set targets, the free assignment of a maximum of 900,000 shares in favour of the executive directors and 120,000 shares in favour of the Manager (also considering the split mentioned above). On 21 February 2023, the Board of Directors resolved to implement the free increase in share capital through the free issue of n. 69,968 shares in favor of one of the beneficiaries of the 2021-2023 Stock Grant Plan approved by the Shareholders' Meeting of 31 May 2021.

Reserve treasury shares

On 14 July 2023 the ordinary shareholders' meeting of AbitareIn S.p.A. approved the launch of the plan for the purchase and disposal of treasury shares (the "Buy-Back Plan"). The share purchase operations within the Buy-Back Plan took place in the manner and within the operational limits envisaged by the above-mentioned meeting resolution, by art. 5 of EU Regulation 596/2014, art. 3 of the Delegated Regulation (EU) n.1052/2016 of the European Commission of 8 March 2016 and the applicable general sector legislation. The item in question as of 30 September 2023 has a negative balance of Euro 1,116 thousand.

Useful previous exercises

The item "Profits from previous years" decreased by a total value of Euro 9,926 thousand due to the distribution of dividends. On 14 July 2023, the shareholders' meeting of the AbitareIn S.p.A. holding approved the distribution of an extraordinary cash dividend to its shareholders, the payment was finalized in October 2023.

Note 14. Current and non-current financial liabilities

The table below shows the breakdown of non-current financial liabilities at 30 September 2023 and 30 September 2022.

	30.09.2023			30.09.2022			
	non-current portion	current portion	Total	non-current portion	current portion	Total	Change
Medium/long-term bank loans	13,782,296	6,937,471	20,719,767	11,613,976	12,370,746	23,984,722	(3,264,955)
Short-term bank loans	-	-	-	-	-	-	-
Other financial payables	1,487,548	1,783,961	3,271,509	1,261,522	1,949,844	3,211,366	60,143
Total	**15,269,844**	**8,721,432**	**23,991,276**	**12,875,498**	**14,320,590**	**27,196,088**	**(3,204,812)**

loan type (Euro/000)	Amount disbursed/ approved	Underwriting date	End date	Payable within the next financial year	Payable beyond the next financial year	Total Debt book value	Total debt nominal value	Mortage on real estate/ guarantees	Covenants
Loan	1,300	16.07.2019	31.12.2023	115	-	115	115	n/a	No
Loan	5,200	23.09.2020	23.09.2025	1,310	1,316	2,626	2,640	n/a	Yes
Loan	4,500	20.05.2021	31.05.2025	2,875	1,117	3,992	3,937	n/a	Yes
Loan	1,400	23.06.2022	31.07.2027	253	1,167	1,420	1,400	n/a	No
Loan	2,600	27.05.2022	26.05.2027	266	2,384	2,650	2,600	n/a	No
Loan	3,000	18.07.2022	31.12.2025	1,003	1,518	2,521	2,513	n/a	Yes
Loan	3,000	29.07.2022	28.07.2025	612	1,788	2,400	2,400	n/a	Yes
Loan	5,000	29.09.2023	30.09.2028	503	4,492	4,995	5,000	n/a	Yes
Total				**6,937**	**13,782**	**20,719**	**20,605**		

The following new loan was granted during the year:

- Loan for a total amount of Euro 5,000 thousand;

During the year, the following loan was repaid:

- Loan for a total amount of Euro 5,000 thousand;

Below is a sensitivity analysis which was determined on the basis of the Group's exposure as of 30 September 2023 and concerns the effect on the income statement of the change in rates, whether increasing or decreasing.

The columns report the increase (+), or conversely a decrease (-) in financial charges compared to the value present in the 2023 Consolidated Financial Statements.

Rate changes		Sensitivity on rates (Euro thousand)	
(+)	(-)	(+)	(-)
+50 BP	-50 BP	90	(30)
+100 BP	-100 BP	180	(133)
+200 BP	-200 BP	359	(339)
+300 BP	-300 BP	539	(545)

Below is a summary table of the financial covenants provided for in some of the loan agreements of AbitareIn:

Loan	Frequency and date of the last calculation	Parameter	Limit	Parameter at last reoprting date
AbitareIn S.p.A. (BCC)	Financial year (30.09.2023)	Consolidated net financial debt/consolidated Ebitda	< 3,75	1.10
AbitareIn S.p.A. (BCC)	Financial year (30.09.2023)	Consolidated net financial debt/consolidated equity	< 1,75	0.35
AbitareIn S.p.A. (BNL)	Financial year (30.09.2023)	Consolidated net financial debt/consolidated equity	< 1,75	0.35
AbitareIn S.p.A. (BNL)	Financial year (30.09.2023)	Net financial debt in financial statements/equity in financial statements	< 0,75	(0,18)
AbitareIn S.p.A. (BNL)	Financial year (30.09.2023)	Loan to Value	< 45,00%	43.44%
AbitareIn S.p.A. (BPER)	Financial year (30.09.2023)	Consolidated net financial debt/consolidated equity	< 1,75	0.35
AbitareIn S.p.A. (BPER)	Financial year (30.09.2023)	Net financial debt in financial statements/equity in financial statements	< 0,75	(0,18)
AbitareIn S.p.A. (MPS)	Financial year (30.09.2023)	Consolidated net financial debt/consolidated equity	< 1,75	0.35

As of 30 September 2022, the financial covenants had been fully complied with.

The item "Other financial payables" is mainly composed of:

- the long-term right of use of the property used as offices located at 36 Viale Umbria for an amount of Euro 941 thousand;
- the long-term right of use of the property used as offices located at 32 Viale Umbria for an amount of Euro 443 thousand;
- the financial payable to the leasing company for the purchase of the property located at 57 Via Amadeo, 57 in the amount of Euro 391 thousand;
- the long-term right of use of the property used by the Chairman of the Board of Directors in the amount of Euro 57 thousand;
- the financial payable for the leaseback contract for office machinery signed with BNL in the amount of Euro 27 thousand.

Note 14.1 Financial debt

	Financial debt 30.09.2023 amounts in Euro	30.09.2023	30.09.2022	Change
A.	Cash and cash equivalents	15,044,042	4,926,191	10,117,851
B.	Means equivalent to cash and cash equivalents	-	-	-
C.	Other current financial assets	22,938,221	13,470,546	9,467,675
D.	**Liquidity (A)+(B)+(C)**	**37,982,263**	**18,396,737**	**19,585,526**
E.	Current financial payables	-	-	-
F.	Curernt position of non-current debt	8,721,433	14,320,590	(5,599,157)

G.	**Current financial debt (E)+(F)**	**8,721,433**	**14,320,590**	**(5,599,157)**
H.	**Net current financial debt (G)-(D)**	**(29,260,830)**	**(4,076,147)**	**(25,184,683)**
I.	Non-current financial payables	15,269,843	12,875,498	2,394,345
J.	Debt instruments	-	-	-
K.	Trade payables and other non-current payables	-	-	-
L.	**Non-current financial debt (I)+(J)+(K)**	**15,269,843**	**12,875,498**	**2,394,345**
M.	**Total financial debt (H)+(L)**	**(13,990,987)**	**8,799,351**	**(22,790,338)**

Net financial debt at 30 September 2023 presents a negative balance of Euro 13.9 million compared to a positive balance of Euro 8.8 million at 30 September 2022. Net financial debt improved mainly due to the liquidity generated by the sale of the participation in Milano Progetti S.r.l.

Note 15. Employee benefits

Pursuant to IAS 19R, the main economic-financial assumptions used in the actuarial valuations are detailed below:

	30.09.2023	30.09.2022
Annual inflation rate	2.50%	3.50%
Technical annual discount rate	4.00%	2.50%
Annual rate of salary increase	2.50%	2.50%

The following changes in employee benefits were recorded in the relevant periods:

Balance at 30 September 2022	**315,126**
Financial expenses	10,639
Advances paid and settlements	(84,518)
Accruals	117,865
Actuarial gains (losses)	2,996
Balance at 30 September 2023	**362,108**

Note 16. Other non-current liabilities

As at 30 September 2023, the item “Other non-current liabilities” consisted of the severance indemnity reserve (Euro 335 thousand).

The following changes were recorded in the directors’ severance indemnity reserve:

Balance at 30 September 2021	**281,755**
Financial expenses	9,861
Advances paid and settlements	-
Accruals	43,341
Actuarial gains (losses)	227
Balance at 30 September 2022	**335,184**

Note 17. Trade payables

Trade payables amounted to Euro 934 thousand (Euro 952 thousand as at 30 September 2022) and are recognised at nominal value. All payables fall due within the next year. The payables represent the amounts due for the provision of ser-vices and consultancy, remuneration and miscellaneous supplies. There are no significant payables in currencies other than the Euro.

Note 18. Payables to subsidiaries

They totaled Euro 12,207 thousand (Euro 10,860 thousand as at 30 September 2022) and include:

	30.09.2023	30.09.2022	Change
CNM payables	1,551,059	920,373	630,686
Group VAT payables	5,491,301	8,784,552	(3,293,251)
Trade payables	210,166	1,113,565	(903,399)
Miscellaneous payables	4,954,983	41,075	4,913,908
Total	**12,207,509**	**10,859,565**	**1,347,944**

CNM payables consist of the assumption by AbitareIn S.p.A., as the tax consolidating entity, of the tax in-come generated by the subsidiaries.

Trade payables mainly refer to the payable to the subsidiary AbitareIn Development 3 S.r.l. to lease the property for the Parent Company's operational offices.

Note 19. Other current liabilities

The table below shows the breakdown of other current liabilities at 30 September 2023 and 30 September 2022.

	30.09.2023	30.09.2022	Change
Other provisions for risk and charges	-	545,500	(545,500)
Other payables	10,433,921	697,614	9,736,307
Accrued expenses and prepaid income	87,139	126,033	(38,894)
Social security contributions payable	66,727	64,868	1,859
Total	**10,587,787**	**1,434,015**	**9,153,772**

The item "Other current liabilities" is mainly composed of debt to shareholders for a total amount of Euro 9,926 thousand for dividends distributed. On 14 July 2023, the shareholders' meeting of the AbitareIn S.p.A. holding approved the distribution of an extraordinary cash dividend to its shareholders, the payment was completed in October 2023

Note 20. Current tax liabilities

The item Current tax liabilities equal to Euro 5,895 thousand is mainly composed of the debt to the treasury for IRES for an amount equal to Euro 5,426 thousand and the debt to the treasury for IRAP for an amount equal to Euro 375 thousand.

NOTES

to key items in the Income Statement

Note 21. Revenue

The total value of revenues increased from Euro 9,844 thousand as at 30 September 2022 to Euro 17,267 thousand as at 30 September 2023. The change is mainly due to the increase in the item "Revenue from services".

Note 21.1 Revenue from Services

Revenue from services of Euro 16,246 thousand relates to the invoicing of services to subsidiaries. With regard to inter-group policies for invoicing services during the FY 2023, a partial change was made to correctly identify the value of intellectual property (IP) services with respect to the technical, commercial, marketing and administrative management activities. 2 main IPs have been identified, the use of Software and the use of Know-How, established and made available to subsidiaries on the basis of dedicated contracts of use. The parent company submitted an application for a Patent Box to recognise the tax credit on the profit deriving from exploiting the identified IPs.

Note 21.2 Other revenue

Other revenues of Euro 1,022 thousand mainly include:

- Revenues for services to third parties relating to pre- and post-sales services for an amount equal to Euro 363 thousand;
- Revenue of chargebacks of costs pertaining to subsidiaries of Euro 166 thousand
- revenue accrued on tax credits for Research & Development of services Euro 56 thousand.

Note 22. Operating expenses

At 30 September 2023 it amounted to Euro 12,356 thousand and mainly includes costs for services.

Note 22.1 Services

Costs for services break down as follows:

	30.09.2023	30.09.2022	Change
Legal. notarial and administrative consultency	1,226,054	349,277	876,777
Technical consultancy professional	959,255	826,589	132,666
Press office	16,367	18,616	(2,249)
Directors' remuneration	1,230,287	2,343,028	(1,112,741)
Statutory auditors. auditing firm and supervasory body	158,181	134,156	24,025
Marketing and advertising	935,448	676,349	259,099
Software licensing fee	422,261	447,068	(24,807)
Research. education and training	117,278	122,518	(5,240)
Insurance	69,209	63,300	5,909
Utilities	98,426	104,808	(6,382)
Condominium expenses	20,052	18,175	1,877

Miscellaneous cost recharged to sudsidiaries	166,188	55,326	110,862
Other	1,743,539	1,141,011	602,528
Total	**7,162,545**	**6,300,221**	**862,324**

As at 30 September 2023, Directors' remuneration includes the costs related to the stock grant plan amounting to Euro 626 thousand.

Note 22.2 Personnel expenses

The breakdown of personnel expenses is as follows:

	30.09.2023	30.09.2022	Change
Wages and salaries	1,987,290	1,671,338	315,952
Social security costs	736,591	547,072	189,519
Severance indemnity reserve (TFR)	117,865	105,080	12,785
Other expenses	308,925	29,139	279,786
Total	**3,150,671**	**2,352,629**	**798,042**

Employees

The table below shows the average/end-of-period number of employees by category, as at 30 September 2023 and 30 September 2022:

	30.09.2023		30.09.2022	
	Average	End-of-period	Average	End-of-period
Executives	2	2	2	2
Office workers	49	46	41	44
Total	**51**	**48**	**43**	**46**

Note 22.3 Depreciation/Amortisation

The breakdown of “Depreciation/Amortisation” is as follows:

	30.09.2023	30.09.2022	Change
Amortisation of intangible assets	1,242,466	1,086,897	155,569
Deprecation of property. plant and equipment	229,837	227,143	2,694
Total	**1,472,303**	**1,314,040**	**158,263**

The increase in depreciation/amortisation mainly reflects the incremental investments made in Development by the parent company.

Note 22.4 Impairment losses and provisions

The item “Impairment losses and provisions” consists equal to Euro 43 thousand accrual to the directors’ severance indemnity reserve.

Note 22.5 Other operating expenses

Other operating expenses amount to Euro 392 thousand and mainly include subscriptions and membership fees and various losses.

Note 23 Reinstatement/(write-down) subsidiary investments

The item "Reinstatement/(write-down) of investments in subsidiaries" consists of the adjustment of the carrying value of the investment in City Zeden S.r.l. in the amount of Euro 187 thousand.

Note 24. Financial income and expenses

As of 30 September 2023, financial income amounted to Euro 28,176 and is mainly composed of:

- From the dividend distributed by the subsidiary AbitareIn Development 7 S.r.l. for a total amount of Euro 600 thousand;
- From the interest accrued on medium-long term loans granted to subsidiaries for an amount equal to Euro 3,224 thousand;
- From the income generated by the sale of the total shareholding in the company Milano Progetti S.r.l. for a total amount of Euro 23,386 thousand;
- The positive effect of the fair value measurement of the bonus earthquake credit generated by the alignment of the book value at 30 September 2023 of the tax credit for a total amount of Euro 580 thousand;
- the revaluation of the investment lines carried out by AbitareIn S.p.A., generated by the alignment of the book value to the fair value at 30 September 2023, for a total amount of Euro 221 thousand;
- to the proceeds generated by cash flow hedge derivatives stipulated by AbitareIn S.p.A. for a total amount of Euro 88 thousand.

Financial charges amount to Euro 3,809 and are mainly composed of:

- the write-down generated by the alignment of the book value to the fair value at 30 September 2023 of the investment in Tecma Solutions S.p.A. for a total amount of Euro 2,793 thousand;
- interest payable to credit institutions for average financial debt for a total amount of Euro 912 thousand.

Note 25. Income taxes

The table below shows the breakdown of income taxes at 30 September 2023 and 30 September 2022.

	30.09.2023	30.09.2022	Change
Current	2,802,334	145,286	2,657,048
Deferred	320,632	5,698	314,934
Total	**3,122,966**	**150,984**	**2,971,982**

The reconciliation between the actual tax burden recorded in the financial statements and the theoretical tax burden, determined for IRES, IRAP taxes and on the basis of the theoretical tax rate, is as follows:

IRES tax	%	2023	2022
EBT		**29,091,323**	**7,843,281**
Theorical tax liability %	**24%**	**6,981,918**	**1,882,387**
Increases:			
IMU tax		21,000	4,154
Unpaid remuneration and employee bonuses		3,028,318	866,500
Other increases		1,693,579	784,305
Total		**4,742,897**	**1,654,959**
Decreases:			
Paid remuneration and employee bonuses		853,666	424,000
Dividends and revaluations		22,786,425	7,849,820
Deduction for prior losses. ACE (aid to economic growth). IRAP tax and contributions		148,866	714,366
Other decreases		335,450	379,643
Total		**24,124,407**	**9,367,829**
IRES tax base		**9,709,813**	**130,411**
IRES tax pertaining to the period		**2,330,355**	**31,299**
Contingent income from previous year's IRES tax		**(34,241)**	**(24,076)**
IRES tax		**2,296,114**	**7,223**

IRAP tax		2023	2022
Difference between income and costs not considered for IRAP tax purposes		**7,752,803**	**1,874,407**
Theorical tax liability %	**5.57%**	**431,831**	**104,404**
Increases:			
Costs for collaborators and directors		1,290,402	2,419,307
IMU tax		4,226	4,154
Other increases		3,362,054	1,389,366
Total		**4,656,682**	**3,812,827**
Decreases:			
Grants for the year		61,778	358,317
Tax wedge deductions		2,841,746	2,278,218
Other decreases		417,630	572,187
Total		**3,321,154**	**3,208,722**
IRAP tax base		**9,088,331**	**2,478,512**
IRAP tax pertaining to the period		**506,220**	**138,053**

Note 26. Related-party transactions

Pursuant to IAS 24, the related parties of the Group are companies and individuals that are able to exercise control, joint control or have significant influence on the Group and its subsidiaries.

Intercompany transactions are of a business and financial nature and are generally formalised by contracts. Such transactions are carried out at arm's length and are carefully monitored by the Board of Directors. The transactions carried out with such related parties refer to the normal operations of each single entity. No atypical or unusual transactions have been carried out with the.

Transactions with Group companies

During the year, the Company carried out a number of business and financial transactions with the companies of the Group.

The following table provides a summary of relations during the year.

Company	Financial receivables	Trade receivables	Other current receivables	Financial payables	Trade payables	Other current payables
AbitareIn Development 3 S.r.l.	2,239,869	85,609	122,339	-	210,166	63,760
AbitareIn Development 4 S.r.l.	5,790,637	1,303,238	100,325	-	-	285,529
AbitareIn Development 5 S.r.l.	2,449,656	3,519,706	390,365	-	-	702,198
AbitareIn Development 6 S.r.l.	8,464	2,424	-	-	-	3,301
AbitareIn Development 7 S.r.l.	17,730	2,624	10,137	-	-	84,002
AbitareIn Maggiolina S.r.l.	-	10,000	-	532,621	-	88,810
Accursio S.r.l.	8,753,958	26,348	327,610	-	-	208,599
City Zeden S.r.l.	1,807,134	22,654	2,947	-	-	5,975
Citynow S.r.l.	1,124,522	24,531	25,455	-	-	32,059
Costruire In S.r.l.	-	12,074	8,339	-	-	-
Creare S.r.l.	-	2,074	-	-	-	3,863
Deametra Siinq S.r.l.	-	1,903	653	-	-	-
Edimi S.r.l.	-	-	402	-	-	-
Homizy Siiq S.p.A.	1,272,887	148,545	-	-	-	161,438
Hommi S.r.l.	-	-	-	-	-	786
Housenow S.r.l.	-	-	-	-	-	4,084
Hub32 S.r.l.	-	-	310	-	-	-
Immaginare S.r.l.	870,588	1,355,723	401	-	-	16,015
Just Home S.r.l.	-	-	402	-	-	-
Lambrate Twin Palace S.r.l.	3,159,065	4,467,852	52,865	-	-	884,307
Milano City Village S.r.l.	381,749	4,999,014	1,024,524	-	-	1,405,413
Mivivi S.r.l.	3,113,123	1,164,700	114,806	-	-	165,702
MyCity S.r.l.	2,019,584	2,327,382	34,165	-	-	368,645
MyTime S.r.l.	-	-	310	-	-	-
New Tacito S.r.l.	-	133,458	509,448	-	-	-
Palazzo Naviglio S.r.l.	35,937	434,950	771,746	-	-	1,201,667
Porta Naviglio Grande S.r.l.	7,433,156	16,348	92,176	-	-	2,528,993
Savona 105 S.r.l.	4,192,144	2,562,413	272,467	-	-	311,048
Smartcity Siinq S.r.l.	-	-	6,805	-	-	-
The Units S.r.l.	601,838	205,512	7,863	-	-	84,233
Trilogy Towers S.r.l.	165,065	552,369	2,664,862	-	-	3,304,023
Volaplana S.r.l.	733,560	10,000	63,866	879,503	-	50,077
Ziro S.r.l.	5,928,713	26,348	29,358	-	-	32,816
Total	**52,099,379**	**23,417,799**	**6,634,946**	**1,412,124**	**210,166**	**11,997,343**

Company	Revenue for services	Other revenue	Interest income on loans	Costs for services
AbitareIn Development 3 S.r.l.	10,000	1,700	112,288	1,700
AbitareIn Development 4 S.r.l.	1,040,160	1,700	268,406	1,700
AbitareIn Development 5 S.r.l.	753,205	1,700	139,084	1,700
AbitareIn Development 6 S.r.l.	-	1,700	160	1,700
AbitareIn Development 7 S.r.l.	-	2,250	17,730	2,250
AbitareIn Maggiolina S.r.l.	10,000	1,700	-	1,700
Accursio S.r.l.	10,000	1,700	480,224	1,700
City Zeden S.r.l.	-	1,700	-	1,700
Citynow S.r.l.	10,000	1,700	30,522	1,700
Costruire In S.r.l.	10,000	1,700	-	1,700
Creare S.r.l.	-	1,700	-	1,700
Deametra Siinq S.r.l.	-	1,560	-	1,560
Homizy Siiq S.p.A.	148,480	54	22,887	54
Immaginare S.r.l.	1,316,041	1,700	51,112	1,700
Lambrate Twin Palace S.r.l.	888,091	1,700	188,517	1,700
Milano City Village S.r.l.	4,996,940	1,700	381,749	1,700
Milano Progetti S.r.l.	-	-	239,318	-
Mivivi S.r.l.	1,010,413	15,705	144,901	15,705
MyCity S.r.l.	401,732	1,700	116,338	1,700
New Tacito S.r.l.	-	109,392	-	109,392
Palazzo Naviglio S.r.l.	1,772,354	1,700	35,937	1,700
Porta Naviglio Grande S.r.l.	-	1,700	349,936	1,700
Savona 105 S.r.l.	199,937	1,700	227,976	1,700
Smartcity Siinq S.r.l.	-	32	-	32
The Units S.r.l.	203,438	1,700	28,774	1,700
Trilogy Towers S.r.l.	3,444,866	3,195	165,065	3,195
Volaplana S.r.l.	10,000	1,700	43,060	1,700
Ziro S.r.l.	10,000	1,700	179,901	1,700
Total	**16,245,657**	**166,188**	**3,223,885**	**166,188**

Other related-party transactions

Total remuneration for the period of directors, statutory auditors and key managers of the parent company amounted to Euro 1,524 thousand and is detailed in the table below:

	30.09.2023
Directors' remuneration	1,230,287
Directors' Severance Indemnity Reserve (TFM)	43,341
Statutory Auditors' remuneration	50,105
Remuneration of executive with strategic responsabilities	200,000
Total	**1,523,733**

Commitments and guarantees provided by the Group

Listed below are the guarantees issued by AbitareIn S.p.A. on behalf of subsidiaries in favour of the credit institutions:

Subsiadiries	Amount guaranteed	Date of issue	Type of guarantee
AbitareIn Development 3 Srl	3,000,000	22.06.2018	Loan repayment guarantee
AbitareIn Development 4 Srl	1,175,000	03.03.2022	Comfort letter of Eur 1.7m
AbitareIn Development 5 Srl	4,500,000	07.07.2022	Loan repayment guarantee
Accursio Srl	10,500,000	29.12.2021	Loan repayment guarantee
Citynow Srl	400,000	01.02.2022	Loan repayment guarantee
Lambrate Twin Palace Srl	3,300,000	25.05.2021	Comfort letter of Eur 3.3m and subordination of Eur 2m loan
Milano Progetti Srl*	10,500,000	23.12.2020	Loan repayment guarantee
Milano Progetti Srl*	5,000,000	21.10.2022	Loan repayment guarantee
Mivivi Srl	5,000,000	06.05.2022	Loan repayment guarantee
MyCity Srl	17,300,000	15.05.2023	Comfort letter
Porta Naviglio Grande Srl**	3,650,000	17.12.2020	Loan repayment guarantee
Savona 105 Srl	10,950,000	03.12.2020	Loan repayment guarantee
Volaplana Srl	5,000,000	11.01.2022	Loan repayment guarantee
Total	**80,275,000**		

*: AbitareIn S.p.A. maintained the guarantee issued on behalf of the sold company Milano Progetti S.r.l., owner of the property in via Ca-dolini. The agreements between the parties provide that the buyer will arrange for the release of the guarantee by 31 December 2023;

**: the sales target has been reached which allows AbitareIn S.p.A. to request cancellation of the guarantee.

Financial risk management policy

See the Directors' report accompanying the consolidated financial statements for further information.

Information on the carrying amount and fair value of financial instruments

IFRS 7 and IFRS 13 require that financial instruments measured at fair value are classified on the basis of the quality of the inputs used to determine their fair value. More specifically, IFRS 7 and IFRS 13 provide for 3 fair value levels:

- level 1: financial assets and liabilities whose fair value is determined on the basis of quoted prices (unadjusted) in active markets (regulated and over the counter) for identical assets or liabilities;
- level 2: financial assets and liabilities whose fair value is determined on the basis of inputs other than the quoted prices in level 1, but which, for such assets and liabilities, are directly or indirectly observable on the market;
- level 3: financial assets and liabilities whose fair value is determined on the basis of unobservable market data. This category includes instruments measured on the basis of internal estimates using proprietary methods in accordance with sector-specific best practices.

No transfers between the different levels of the fair value hierarchy were made in the relevant periods.

The table below provides a summary of assets and liabilities measured at fair value at 30 September 2023, based on the level that reflects the inputs used to determine their fair value:

(In Euro)		As at 30.09.2023			
	Notes	Carrying amount	Level 1	Level 2	Level 3
Assets					
Equity investments in subsidiaries	3,1	7,455,952	7,369,952	-	86,000
Equity investments in other companies	3,2	2,022,472	2,022,472	-	-
Current financial assets	4	1,250,000	1,250,000	-	-
Trade receivables	6	632,805	-	-	632,805
Receivables from subsidiaries	7	34,312,596	-	-	34,312,596
Other current assets	8	2,200,000	-	2,200,000	-
Financial assets carried at fair value	9	15,220,554	15,220,554	-	-
Current financial assets	10	2,089,014	-	929,424	1,159,590
Cash and cash equivalents	12	15,044,042	15,044,042	-	-
Liabilities					
Non-current financial liabilities	14	15,269,844	15,269,844	-	-
Other non-current liabilities	16	335,184	-	-	335,184
Current financial liabilities	14	8,721,432	8,721,432	-	-
Trade payables	17	934,317	-	-	934,317
Payables to subsidiaries	18	12,207,509	-	-	12,207,509
Other current liabilities	19	10,587,787	-	-	10,587,787

Contingent liabilities and main pending litigations

See the Interim report on operations.

Transactions deriving from atypical and/or unusual operations

Pursuant to CONSOB Communication No. DEM/6064296 of 28 July 2006, it is specified that during the financial year ending 30 September 2023, the company AbitareIn S.p.A. did not carry out any atypical and/or unusual transactions, as defined in the same communication.

Significant non-recurring events and transactions

Pursuant to CONSOB Communication No. DEM/6064296 of 28 July 2006, it should be noted that during the financial year ended 30 September 2023, the company AbitareIn S.p.A. did not carry out any significant non-recurring events and transactions, as defined in the same communication.

Information on contributions granted by the Public Administration

Below is the information related to the contributions granted by the Public Administration to the company AbitareIn:

- Euro 56 thousand as tax credit for investments in Research & Development pursuant to article 244, paragraph 1 of Legislative Decree no. 34 of 2020

Fees paid to the Auditing Firm

The table below shows the breakdown of the fees recognised for the six months ended 30 September 2023 for auditing ser-vices and other services supplied by the Auditing Firm BDO S.p.A.

Amount in thousands of Euro	**30.09.2023**
Auditing half-yearly financial statements	21
Statutory audit	30
Other assurance services	-
Total	**51**

Proposal to approve the financial statements and the allocation of the profit for the year as at 30 September 2023

Dear Shareholders, in submitting the Financial Statements for the year ended 30 September 2023 for your approval, we propose that the profit for the year of Euro 25,968,357 be carried forward.

Declaration of the financial statements pursuant to article 154-bis of legislative decree 58/1998 (consolidated finance act)

1. We, the undersigned, Luigi Francesco Gozzini and Cristiano Contini, acting respectively as Chief Executive Officer and Executive Responsible for Corporate Accounting Information for AbitareIn S.p.A., taking into account the provisions of article 154-bis, paragraphs 3 and 4 of Law 58/98, certify:
   - the adequacy in relation to the characteristics of the company, and
   - the effective application of the administrative and accounting procedures for the preparation of the Financial Statements at 30 September 2023.

2. We also certify that:
   2.1 The Financial Statements at 30 September 2023:
      a) have been prepared in accordance with the International Financial Reporting Standards recognized in the European Union under the EC regulation 1606/2002 of the European Parliament and of the Council of 19July 2002;
      b) correspond to the underlying accounting entries and records;
      c) provides a true and fair view of the financial performance and financial position of the issuer and of all of the companies included in the consolidation scope.

   2.2 The management report includes a reliable analysis of the important events that occurred in the year and of their effects on the abridged consolidated financial statements, together with a description of the main risks and uncertainties.

Milan, 13 December 2023

Luigi Francesco Gozzini	Cristiano Contini
(CEO)	(Executive Responsible for Corporate Accounting Information)

Abitare In S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

Financial statements as of September 30, 2023

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

GRV/VDL/cpo - RC058152023BD0613

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20131 Milano

Independent auditor's Report
pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014

To the shareholders of
Abitare In S.p.A.

Report on the financial statements

Opinion

We have audited the financial statements of Abitare In S.p.A. (the "Company"), which comprise the statement of financial position as of September 30, 2023, the income statement, the statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements give a true and fair view of the financial position of the Company as of September 30, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree N. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Audit response
ENHANCEMENT OF EQUITY INVESTMENTS AND FINANCING IN SUBSIDIARIES *NOTE 3.1: EQUITY INVESTMENTS IN SUBSIDIARIES* *NOTE 4: CURRENT AND NON-CURRENT FINANCIAL ASSETS* The financial statements include amount referred to "Equity investments in subsidiaries" for Euro 7,5 million and "Current and non-current financial assets" relating to financing granted to subsidiaries for Euro 47,8 million. As indicated in the aforementioned notes, the recoverability of these assets was assessed by the Company in light of the forecasting of cash flows expected from the completion of the real estate development projects. For the above mentioned reasons, and taking into account the significance of these items, we considered the valuation of equity investments and non-current financial assets to be a key aspect of the separate financial statements audit.	The audit procedures applied in response to this key aspect concerned, among other things: ▪ Understanding and recording of the relevant controls put in place by the company on the recoverability process; ▪ Check for the reasonableness of the main assumptions adopted by the company for the formulation of forecasts of cash flows from subsidiaries; ▪ Comparison with the financial statements of subsidiaries, in particular with the respective shareholders' equity to check existence indications of impairment losses. We have also checked the adequacy of the information provided in the notes to the financial statements.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors of Abitare In S.p.A. are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 9 of Legislative Decree N. 38/05 and, within the terms provide by the law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing, in terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also have:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided those charged with governance with a statement that we have complied with relevant ethical and independence requirements applicable in Italy and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described those matters in the auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) 537/2014

We were initially engaged by the shareholders meeting of Abitare In S.p.A. on December 23, 2020 to perform the audits of the financial statements of each fiscal year starting from September 30, 2021 to September 30, 2029.

We declare that we did not provide prohibited non audit services, referred to article 5, paragraph 1, of Regulation (EU) 537/2014, and that we remained independent of the company in conducting the audit.

We confirm that the opinion on the financial statements included in this audit report is consistent with the content of the additional report prepared in accordance with article 11 of the EU Regulation n.537/2014, submitted to those charged with governance.

Report on other legal and regulatory requirements

Opinion on the compliance to the requirements of Delegated Regulation (EU) 2019/815

The directors of Abitare In S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the financial statements, to be included in the Annual financial report.

We have performed the procedures required under audit standard (SA Italia) no. 700B in order to expressan opinion on the compliance of the financial statements to the requirements of the Delegated Regulation.

In our opinion, the financial statements have been prepared in XHTML format and have been marked-up, in all material respects, in compliance to the requirements of Delegated Regulation.

Due to certain technical limitations, some information included in the explanatory notes to the financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the financial statements in XHTML format.

Opinion pursuant to article 14, paragraph 2, letter e), of Legislative Decree n. 39/10 and of article 123-bis of Legislative Decree n. 58/98.

The directors of Abitare In S.p.A. are responsible for the preparation of the report on operations and of the corporate governance report of Abitare In S.p.A. as of September 30, 2023, including their consistency with the financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and of specific information of the corporate governance report as provided by article 123-bis, paragraph 4, of Legislative Decree n. 58/98, with the financial statements of Abitare In S.p.A. as of September 30, 2023 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the report on operations and the above mentioned specific information of the corporate governance report are consistent with the financial statements of Abitare In S.p.A. as of September 30, 2023 and are compliant with applicable laws and regulations.

With reference to the assessment pursuant to article 14, paragraph. 2, letter e), of Legislative Decree n. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, December 28, 2023

BDO Italia S.p.A.

Signed by

Giovanni Rovelli
Partner

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.