

Abitare In S.p.A.
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STILISTI URBANI - MADE IN MILAN



Abitare In®

ANNUAL FINANCIAL REPORT
AS 30 SEPTEMBER 2021

A MORE
EXTENDED
FAMILY

The city

IS LIKE A FABRIC

■ where ■

#WeAre
Stilisti
Urbani

Weft and Warp

GIVE SHAPE

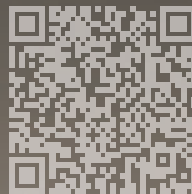
to a system of

*material, social, financial, technological and
human relationships.*

Abitare In

Stilisti Urbani

Made in Milan



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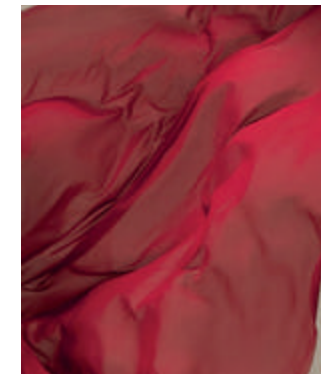


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Abitare In S.p.A.

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Milano

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www.abitareinspa.com

MANAGEMENT AND CONTROL *Bodies*

Board of Directors

Chairman and Chief Executive Officer
Chief Executive Officer
Board member
Independent Board members

Luigi Francesco Gozzini
Marco Claudio Grillo
Eleonora Reni
Mario Benito Mazzoleni
Giuseppe Carlo Vegas
Nicla Picchi

Board of Statutory Auditors

Chairman
Standing statutory auditors

Ivano Passoni
Marco Dorizzi
Matteo Ceravolo

Substitute statutory auditors

Fanny Butera
Mariateresa Giangreco

Auditing firm

BDO Italia S.p.A.

Manager in charge of preparing
the accounting documents

Cristiano Contini

Group structure AS AT 30 SEPTEMBER 2021



Abitare in 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.

Homizy S.p.A.

Abitare In Development 3 S.r.l., Abitare In Development 4 S.r.l.,
Abitare In Development 6 S.r.l., Abitare In Development 7 S.r.l., Palazzo
Sintesy S.r.l., Milano Progetti S.r.l., Richard S.r.l., Mivivi S.r.l., My City
S.r.l., Smart City S.r.l., City Zeden S.r.l., Volaplana S.r.l., Deametra
S.r.l., Immaginare S.r.l., Creare S.r.l., Hommi S.r.l., Housenow S.r.l.

* Special purpose vehicles wholly owned (100%) by Abitare In Spa

REPORT ON THE *management* OF GROUP ABITARE IN

The Group specialises in implementing urban redevelopment projects involving the purchase of disused or abandoned properties, their demolition and the building of new residential complexes (all phases that are entirely outsourced through tender contracts) and, finally, their marketing. The Group 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, whose selection - the result of careful research within a portfolio of opportunities outlined by the Issuer's internal function - 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 startup, 89% of which is owned by Abitare In 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 ("Co-Living Properties"), for which the start of the listing process on the Euronext Growth Milan market, Professional Segment has recently been announced (for this reason, the status of the company will change, continuously, from Innovative Start Up to Innovative SME).

In particular, Homizy offers young employees, aged between 20 and 35, who relocate from their places of origin to a different city to pursue their careers or who want to fly the nest and become more independent, a smart, high-quality, dynamic and economically sustainable medium/long term living solution that guarantees efficiency of management and maintenance, innovative 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.

HIGHLIGHTS

STATEMENT OF FINANCIAL POSITION HIGHLIGHTS

at 30.09.2021

**210 mln €**
Value of inventory**72 mln €**
Loan**34%**
Loan To Cost

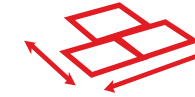
KEY NON-FINANCIAL INDICATORS

al 3.12.2021

Order book

**634¹**
(Type units)**265 mln €**
(total value)**507²**
preliminary contracts
signed**82 mln €**
Down payments/deposits
(from customers with contracts)Construction
site progress**351¹**
Apartments delivered**113 mln €**
Units delivered
(value)**479¹**
Apartments under
construction**184 mln €**

HIGHLIGHTS

Development
pipeline ³**300.000 mq³⁻⁴**
net saleable area**3.318¹⁻⁵**
(Type units)**551 €/mq comm.le**
net saleable area purchase cost

Note:

- 1) No. of apartments assuming an average size of 92 sqm for the marketing in free building and 82 sqm for the ERS. The actual number of apartments built and for which contracts have been signed - without prejudice to the combined floor area (sqm) - may vary depending on the level of customisation of the real estate units.
- 2) May differ from the no. of apartments depending on the actual size of the apartments sold. In the most recent transactions, Abitare In has noted a significant and progressive increase in the average size of apartments sold.
- 3) This includes about 16,500 square meters of commercial space for development in the formula of co-living by the subsidiary Homizy
- 4) Of which 26,000 sqm of net saleable area of social housing
- 5) Of Which 317 social housing apartments.

PIPELINE

under development

As at the date of approval of this report, the AbitareIn Group is the owner or promissory buyer by virtue of binding agreements of 22 areas, corresponding to 308,000 square meters of net saleable area for development, equivalent to 3,428 standard-size apartments (the Development Pipeline). The various initiatives included in the Pipeline, located in strategic areas of the City of Milan (Porta Romana District, Lambrate, Naviglio Grande, Certosa) are at different stages of development, based on the Company's business model:



In particular, in addition to 2 projects (equivalent to 241 apartments) completed and delivered to the end customers, namely Abitare In Poste and Abitare In Maggiolina, one currently being delivered (Olimpia Garden), 7 projects (Lambrate Twin Palace, The Units, Palazzo Sintesy, Porta Naviglio Grande, Palazzo Naviglio, Trilogy Towers and Milano City Village) and 1 lot of a sixth project (Savona 105) have been fully marketed or are currently being marketed, and 3 projects (Palazzo Naviglio, Trilogy Towers and Milano City Village) are currently under construction, for a total of 483 apartments, which will be completed and delivered in the 2022 and 2023 financial years.

The remaining Pipeline projects are currently in the design, study and approval phases of the authorisation process.

THE RESIDENTIAL IN MILAN

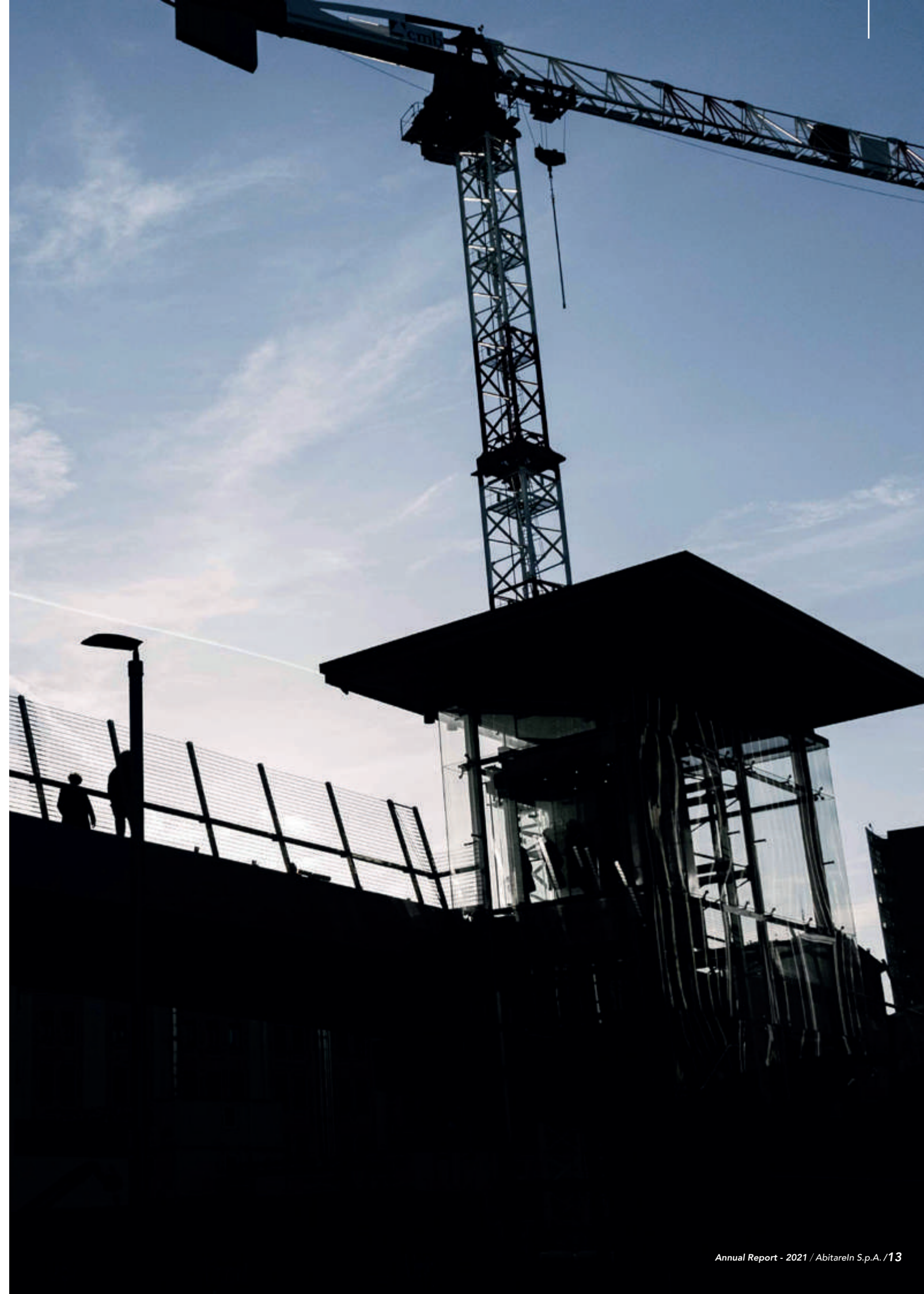
The residential market in Milan continues to record exceptional performance. The second quarter of 2021 saw a significant growth in transaction volumes, reaching 7,627, an increase of 46.6% compared to the same period of 2020 and an increase of 7.7% compared to the second quarter of 2019. In terms of prices, the figures are also very positive: the first half of 2021 recorded an increase of 2.7% compared to the last half of 2020, with clear signs of growth especially in peripheral areas, thanks to the ever increasing demand for outdoor spaces, galleries, larger sizes at more affordable prices. In particular, the "new" sector shows even more positive results in terms of price increases. In fact, the generalized slowdowns "covid" especially in the authorization phases of the plans are creating an effect "scarcity" on the product, against a very strong demand, with consequent increment - until 10% - of the selling prices. An increase that AbitareIn is also recording on its projects in marketing. Even the forecasts for the future continue to be strongly positive: at the end of 2021 it is estimated that the number of transactions reaches 26,500 in the City of Milan alone, to settle at 27,700 in 2022.

Milan is therefore one of the most interesting squares in the world, as confirmed by the latest Global Real Estate Bubble Index released by UBS, according to which Milan is one of the most interesting markets in which to invest.

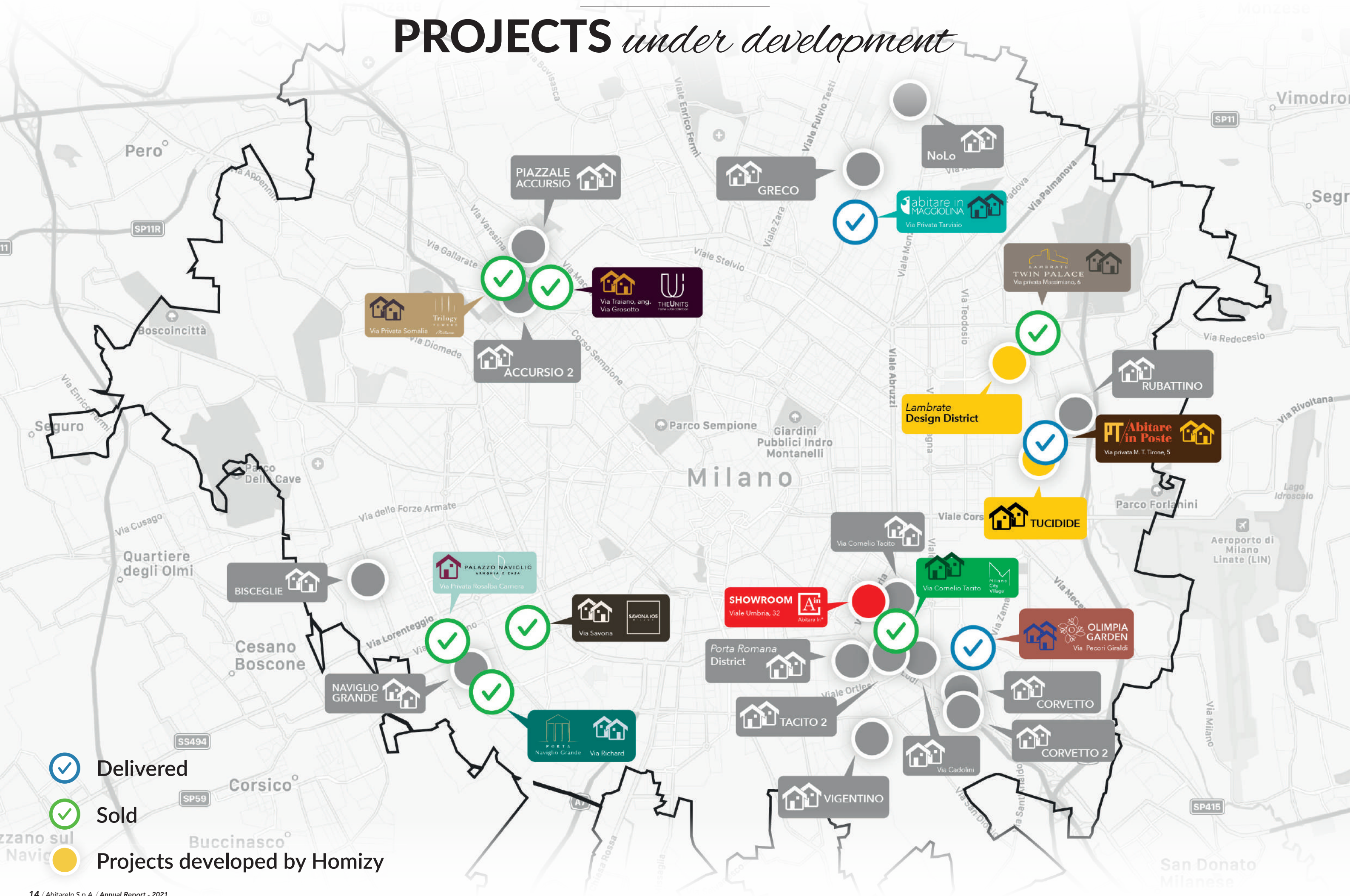
¹ OMI - Quarterly statistics

² Report by Ufficio Studi Gabetti on data by Gabetti, Grimaldi, Professione casa

³ Real Estate Scenarios - Report 2021 on the real estate market of the Metropolitan City of Milan | A new Milan



PROJECTS *under development*



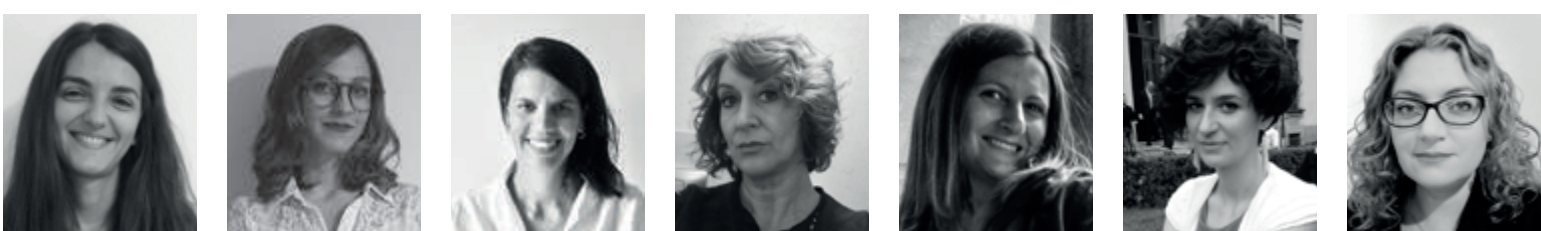
Delivered



Sold



Projects developed by Homizy



WeAre#StilistiUrbani

Abitare In S.p.A.

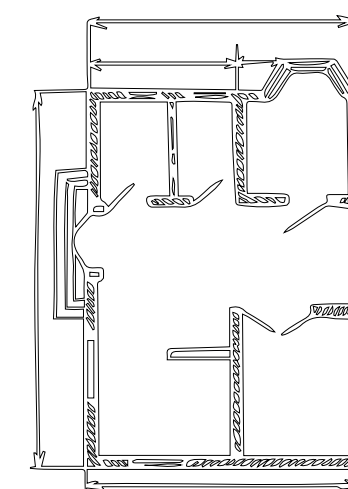
This is US

Founded in 2015 - bringing with it over 15 years of experience of its founding shareholders Luigi Gozzini and Marco Grillo - within just a few years Abitare In has become the major player in the Milan residential property development market, boasting an order book of 17 projects in the pipeline, equivalent to a total of over 2,500 apartments. Building on its unrivalled sector know-how and, above all, its highly specialised and innovative mindset, digital capabilities and specialism, the Company has developed an unprecedented business model that involves creating a completely customisable "home" product (Tailoremadehomes), that benefits from the economies of scale typical of an industrialised model. The company was listed on the AIM Italia stock market in 2016, and from 2018 to March 2021 it was registered in the special "Innovative SMEs" section of the Companies' Register. Since 1 March 2021 it has been listed on the Mercato Telematico Azionario (electronic stock exchange) of Borsa Italiana, on the STAR Segment (and for this reason lost its classification as an Innovative SME)

Abitare In completes urban regeneration projects, demolishing disused or abandoned buildings and improving the residential fabric of the city by building new family homes with a high aspirational value and a strong visual and architectural impact. While the know-how used in selecting the areas, designing the projects and obtaining the required authorisations is managed completely in-house and constitutes the core element of Abitare In's uniqueness, the actual construction of the projects is contracted out to primary construction firms, thus eliminating the associated risk, thanks also to the extensive use of technology that ensures that the Company is constantly

updated on the status of the sites and is able to take prompt action, if needed.

Its real estate projects have always been enormously successful, even in the years of the financial crisis. The Company has developed and fine-tuned its product and marketing strategy through strong branding and the use of state-of-the-art marketing and Customer Relationship Management (CRM) tools. The latest innovative project is Abitare In's proprietary e-commerce platform for selling homes under construction. The Company will use the new platform to offer customers an extremely immersive and complete buying experience, delivered through innovative technology: the artificial intelligence of a virtual assistant available 24 hours a day, an online apartment configurator (similar to those used in the automotive industry), the possibility of virtually visiting the showrooms thanks to virtual reality technology, the possibility of conducting meetings via videoconferencing and the digitisation of all the documentary and contractual processes.



In fact, Abitare In's business model is unique in the Italian market, so much so that it has attracted support from leading national and international operators of primary standing, in both the real estate and financial sectors, who have joined the shareholder base and accompanied the Company along its growth path. The Group's "compartmentalised" structure and the way in which it sells its products (first we sell, then we build) makes the projects self-financing and ensures the financial soundness of the Company.

AMBITION *and Strategy*

The aim of Abitare In S.p.A. is to satisfy the housing aspirations of today's families, starting from Milan - one of the most interesting markets in Europe - and to achieve this by adopting innovative and scalable industrial business models, with a focus on economies of scale.

The primary objectives of our business activity are product focus and customer satisfaction.

To accomplish these objectives, we develop redevelopment and urban regeneration projects in semi-central areas of the city. We take disused industrial sites located in consolidated areas of the city's fabric and transform them into new, modern and elegant residential buildings.

The extremely positive demographic trend seen in recent years has transformed Milan into a market that offers good returns in the "first-time buyer" sector - a sector in which Abitare In is able to offer solutions that combine style, comfort and functionality with an optimal use of resources at company level.

We design and implement exclusive projects in the affordable segment of the market, taking inspiration from new design and technology trends, using state-of-the-art materials, offering higher quality products that meet both current and future housing needs and with a focus on sustainability, psychophysical wellbeing and privacy. We adopt an innovative industrial strategy of selling new off plan property, designed and tailor-made to satisfy the market demand and the requirements

of individual buyers, with a view to satisfying the needs of all customers. Our marketing strategy is based on promotional campaigns that, on a case-to-case basis, aim to satisfy the housing aspirations of the chosen target market. The customer is at the core of our business activity. We realise the complexities of buying a new home for families and that is why we offer customers a dedicated service to guide them through the whole buying experience.

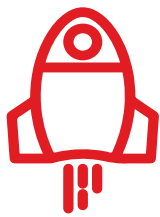
We also focus highly on the urban requalification and regeneration of the areas we redevelop, recovering disused buildings and "creating" extra green areas in addition to those existing prior to our works. In detail, our projects always involve demolishing the existing structures on densely built-up sites, and never building on green areas.

Our products and their customisability are the key to our success. By combining European best practices with "Made in Milan" design, we have built a winning business model that makes us unique.





HOW *it works*



MISSION

Satisfying the housing aspirations of today's families

By adopting innovative and scalable business models and combining international best practices with Milan's distinctive style, we have created our **UNIQUE AND WINNING BUSINESS MODEL**



Urban regeneration

All our developments are based exclusively on demolishing the existing buildings and redeveloping the site by rebuilding new structures, with a high degree of social consensus and a low impact on the environment.



Project planning and financing

First we sell, then we build. Down payments from customers and landed property loans make the projects self-financeable.



Design

We design tailor-made apartments. Design based on proprietary and standardised typological models: "model 1".



Sale

R&D >4.5% of production value
Promotional budget > 10%
Marketing & Communications > 5% of revenue



Construction

Use of BIM technology. Use of systems that take into account energy savings and acoustics. Tendering process open only to major businesses in the sector



PRODUCT tailor-made home

"Home" interpreted in the widest sense of the word (furniture, mortgage, insurance, after-sales, maintenance)



CUSTOMER home = emotion

The home as an emotion, a lifestyle, a means of communication to satisfy people's aspirations

HOW *we do it*



Construction to order

We use a proprietary design model to create a wide range of different products in real time, all completely customisable to the requirements of individual customers: **TAILOR MADE HOMES**. We offer the possibility to completely customise the real estate units while maintaining the efficiency (in terms of timing and costs) typical of “serial” production.



Scalable business model

With the use of cutting-edge technology, we are able to industrialise and automate all stages of our projects, thus making our business model scalable, also through **PRODECTO**, a proprietary product developed to integrate the different platforms and software used.

This product allows us not only to monitor but also integrate all the different stages of our real estate developments.



Go to market

To ensure the complete efficiency and optimisation of our model, we have developed a commercial strategy based on “off plan sales”, whereby the real estate units are sold before the construction works start: **FIRST WE SELL, THEN WE BUILD**.

Our commercial strategy is also effectively supported by project-dedicated showrooms and promotional campaigns.



Made in Milan

We design and build stylish and contemporary products for our customers, that they feel represent them, always keeping a keen eye on Milanese design. Our projects go beyond the concept of “housing” to become “homes”.

We interpret the “home” in the widest sense - as an emotion, a lifestyle - and have therefore created the so-called **HOME SYSTEM** in collaboration with the best interior design brands on the market.



Urban regeneration

All our developments are **SUSTAINABLE** and involve demolishing the existing buildings and re-developing the site by rebuilding new structures, with a high degree of social consensus and a low impact on the environment.





THE SUSTAINABILITY *of our business model*

The mission of Abitare In is to satisfy the housing needs of today's families by offering a completely customisable "home product" in regenerated urban areas, involving the demolition of disused buildings and the construction of new real estate complexes with the highest energy efficiency standards and ample green areas.

The context in which we operate involves different interests and our goal is therefore to ensure the sustainability of our projects not only in **economic** terms but also from a **social** and **environmental** standpoint.

We firmly believe in a business model that is not purely profit-driven but that **generates value** for all those involved: our shareholders, our customers, our employees and our city.

To do this, we work constantly on several fronts:

GOVERNANCE

- We have fine-tuned a business model that offers guarantees to our **shareholders** thanks to the corporate structure, the way in which the projects are funded and the timing of the developments (first we sell, then we build).
- Given that our market - the housing market - involves families, the public administration and citizens, we have opted to list the Company on the Stock Exchange to ensure the **highest standards of transparency** and reliability.
- Our operations conform to all **best practices** of corporate governance, from the appointment of an independent director in our Board of Directors to the adoption of the "231 Model" and the Code of Ethics, which we ask our employees and collaborators, and our partners and suppliers, to abide by.
- Moreover, with reference to the **construction firms** to which we entrust building work, we conduct in-depth assessments of their reliability and only select firms that comply with best practices to protect workers.

ENVIRONMENTAL

- We focus highly on the impact that our projects have on the environment and all our developments meet very high **energy efficiency** standards and include extensive **green areas**.
- We have a positive impact on the fabric of the city, through **urban regeneration** projects that help to improve the **quality standard of the homes** we offer to our customers but also the overall wellbeing of the **neighbourhoods** in which we operate.

SOCIAL

- We dedicate time and resources to providing **training** opportunities for our employees and collaborators, with focus both on professional matters and on creating a positive and proactive working environment.
- We consider **diversity** not as a barrier but as a real opportunity for growth and enrichment for all.
- We believe that people from different backgrounds, different age groups, origins, cultures and abilities can bring different points of view to the Company and make original contributions to the development of our business activity.
- At Abitare In, not only do we avoid any form of discrimination but focus on growing a culture that respects and encourages **individuality** so that all those who gravitate around our world feel respected and valued.

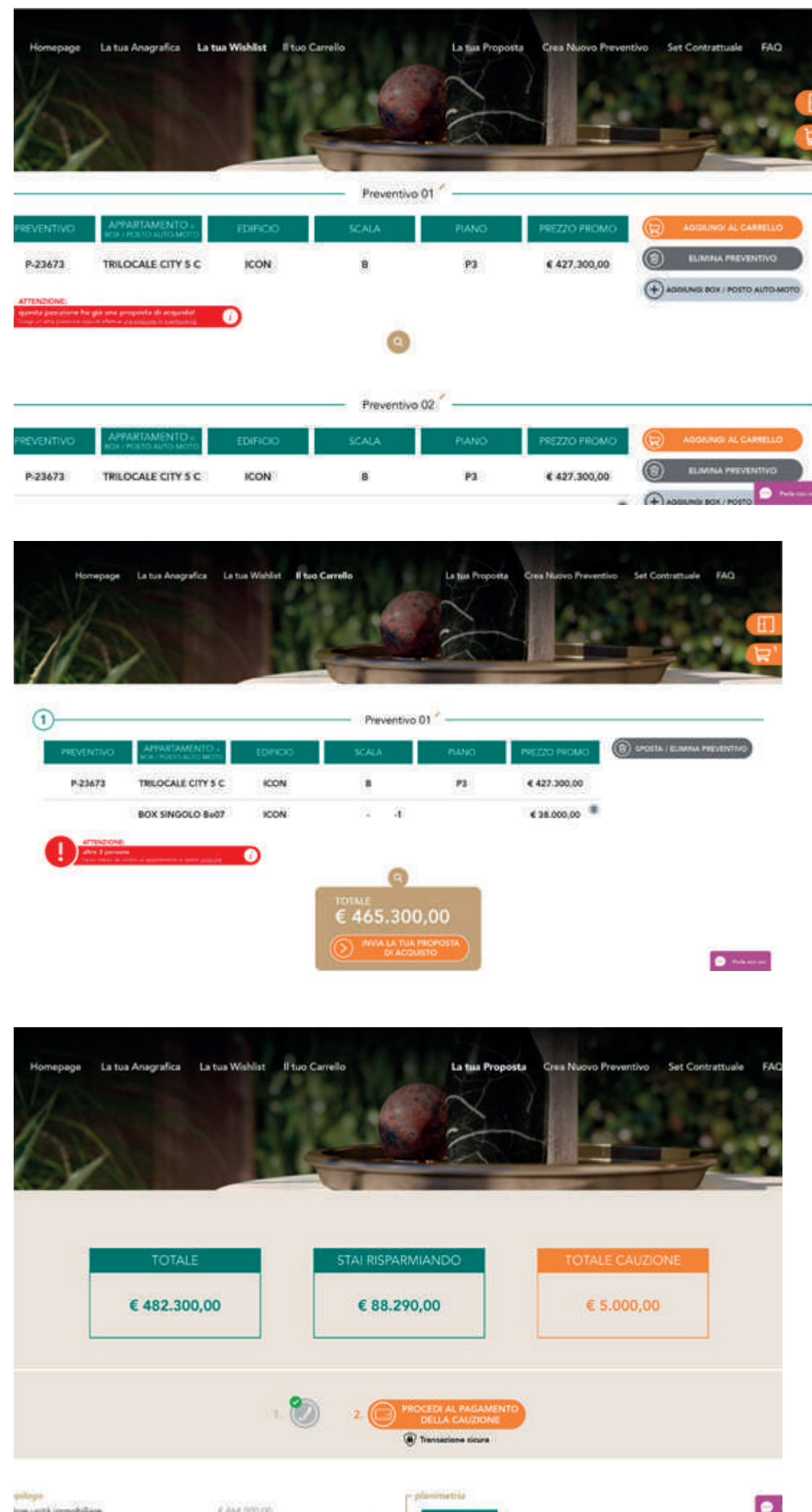
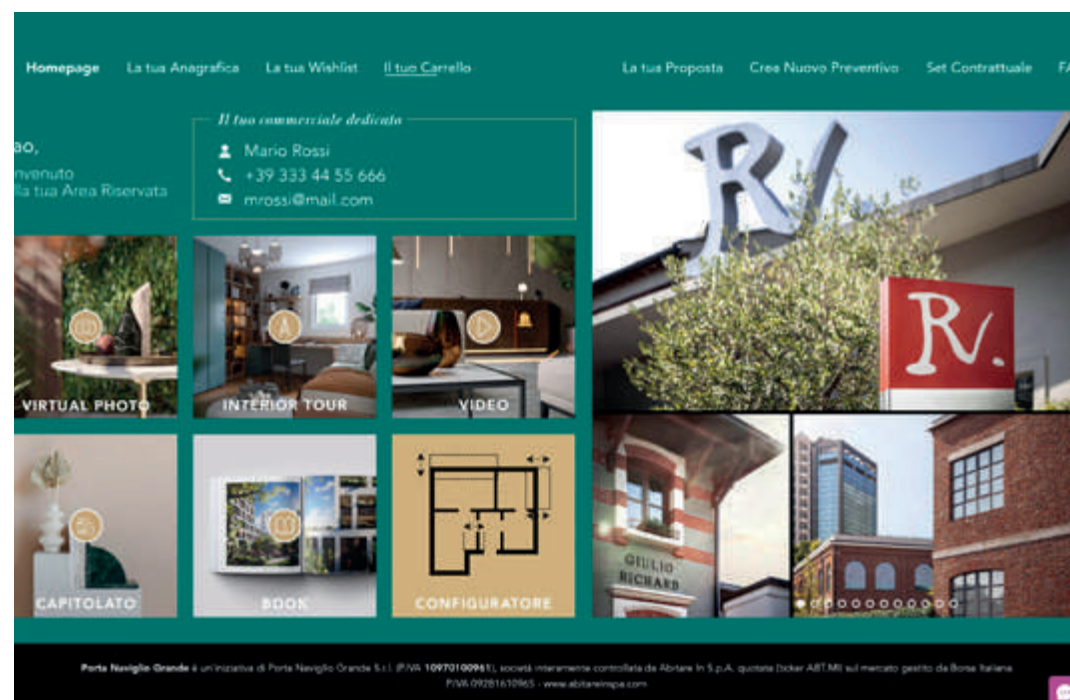
THE REVOLUTIONARY E-COMMERCE PLATFORM FOR BUYING OUR HOMES ONLINE

Abitare In is the result of bringing together the visions of its founding shareholders, Luigi Gozzini and Marco Grillo, who recognised the need to disrupt the traditional dynamics of the real estate market by introducing innovation, computerisation and industrialisation processes used in other sectors.

Our strategy and our business model have always been driven by significant investments in research so that we can continue to deliver innovative and cutting-edge products to the market. The current situation brought on by the spread of Covid has pushed us to be even more courageous and to speed up the research and development processes we have been working on for some time to adapt our product range to the new purchasing preferences that are taking hold at an even faster pace because of the health emergency.

The most recent milestone in this on-going process of innovation is the launch of the revolutionary e-commerce platform that offers our customers an increasingly secure, conscientious and complete buying experience.

This new resource, which is an absolute novelty in the real estate sector, also at global level, for the level of detail, the unprecedented User Experience and the total integration with business processes, involves the use of extremely advanced technologies and solutions: from the artificial intelligence of a virtual assistant which is available 24 hours a day, to an online apartment configurator (like those in the automotive sector), from the possibility of virtually visiting the project showrooms thanks to virtual reality to that of conducting meetings via videoconferencing, from the digitisation of all the documentary and contractual processes to the possibility of making all payments online.



E-COMMERCE *experience*



SMART LIVING COMMUNITY



Homizy is the Group's new line of business focused on building CO-LIVING apartments for the Milan rental market.

Homizy is the residential version of the sharing economy: property, space and services are shared to create new socialising opportunities through the pervasive use of technology, ensuring the most efficient management and optimisation of resources.

MISSION

Transforming the "home" into **A SHARING EXPERIENCE** to bring people together. Making all those who choose Milan to enhance their personal and professional growth "FEEL AT HOME"

TARGET

Designed mainly with young professionals in mind: young people, aged 18 to 35, who relocate from their home towns for work or who want to fly the nest to become more independent.

This target, more than any other, is experimenting with a new way of working, more fluid and constantly evolving, requiring a greater level of adaptability, which marries well with housing solutions that are more dynamic, integrated with the main services, that facilitate togetherness, sociality and interpersonal relations. Young professionals seek and choose co-living solutions not so much for economic reasons but because they are consciously looking for more services better suited to their needs, but still aren't ready to take the "big step" of buying a house.



THE HOMIZY PRODUCT

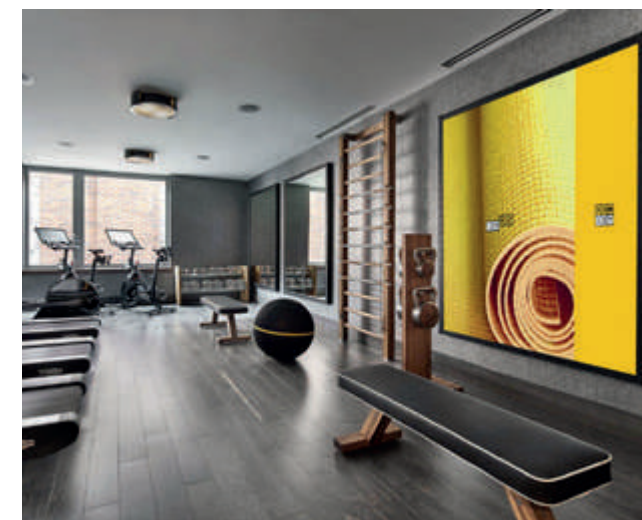
The Homizy product, so-called "build to share", will be on-trend and smart residential complexes designed and built specifically **with co-living services** in mind, aimed at providing more efficient management and maintenance, innovative services and social spaces. The product is exclusively residential - it is not classed as student accommodation or as services apartments (too specific and restrictive, as well as already more widely available on the market). The entry of the Abitare In Group in the rental market will enable it to maximise the use of know-how acquired over the years. In fact, the new buildings will mainly be developed by recovering and/or demolishing and rebuilding existing structures - in full keeping with the urban regeneration concept - and will consist of large apartments with several bedrooms, en-suite or with shared bathrooms, and shared living and kitchen areas. To a lesser extent, the projects will also include studio apartments and multiple communal areas designed for various activities, such as co-working spaces, bike labs, utility areas, leisure spaces. All Homizy buildings will feature "two level" sharing: the first level, within each apartment, consists in sharing communal areas (kitchen and living area) and broadband. The second level, within each building, consists in sharing the main services included to support the management of the structure and encourage social interaction.

CONNECTIONS, CONSCIOUSNESS, CO-CREATION.

These are the three Cs that characterise Homizy's proposal, a place to live in and to implement one's own professional skills, through empowerment services and activities, where inspiration can be found for future, human projects, whilst creating a connection with the other young professionals living in the structure where these meetings take place through a network that is powered both on-and-off-line.

EMPOWERMENT FOR YOUR ENVIRONMENT.

Homizy is the smart building focused on sustainability. Respecting and protecting the environment are the keywords in the building. As with other pathways, empowerment for the environment also involves the co-creation of online and offline activities





HOW WE CAN DO IT



Smart Co-Living

On-trend and smart residential complexes designed and built specifically with co-living services in mind, aimed at providing more efficient management and maintenance, innovative services and social spaces.



A unique and innovative product

to satisfy a new type of demand, moving ahead of the market to rapidly gain a position of LEADERSHIP.



Abitare In know-how

Making the most of Abitare In's economies of scale and know-how, Homizy offers Milan a product in the price range of Euro 650-900 per room, all inclusive.



HOMIZY *concept*



ICONIC PROJECTS



Location: Palazzo Sintesi
Milan
Due to be marketed 2022
(virtual photo)



Location: Abitare in Poste
Neighbourhood: Ortica
Milan



ABITARE IN POSTE

The residential complex is located on the former site of the East Milan Post Office distribution centre, dating back to the 60s/70s.

Abitare In Poste has retained the typical character of a "village": three architectural structures aligned to create an internal courtyard - which still bears the old post office sign as a tribute to the history of the place - and a shared green area.

The bulk of the structure has sharp, clean volumes and is dark in colour to minimise its architectural mass.

In contrast, the light wood detailing of the parapets slips out like drawers. The configuration of the parapets and openings is spontaneous in appearance, following a composition logic that reflects a sense of balance, symmetry and proportion. The design of the ground floor makes a feature out of the different levels, roofed and unroofed areas, green tanks that become planter boxes, steps and ramps, monumental features that play with light to embellish the shared areas and pathways.

The residential complex Abitare In Poste springs from the Company's strong focus on urban regeneration and from the desire to restore dignity to one of Milan's historic villages - the Ortica neighbourhood. A place full of history and art, as told in the songs of great artists like Enzo Jannacci and Giorgio Gaber, and by film directors like Vittorio de Sica. While the historic settlement of farmhouses and inns no longer exists, it has preserved its charm and authenticity intact: a place where you can still breathe the spirit of the authentic Milanese way of life. A place rich in traditions and Values, it has become an "open-air museum", where the Milanese history of the twentieth century is told through the murals. An itinerary through images, from the Martinitt orphans to the women of the Resistance, from Cardinal Ferrari to the partisan Morandi. A mural narrative that tells the stories of the "short century" that forged the identity of the neighbourhood and Milan.

C

Location: Abitare in Poste
Neighbourhood: Ortica
Milan





ABITARE IN MAGGIOLINA

In the Abitare in 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.

Abitare in Maggiolina has altogether transformed an abandoned, run-down area - where once stood the headquarters of the daily newspaper Il Giorno - with a development that embodies the idea of merging residential housing with the rediscovered value of nature, private and shared, for adults and children alike.

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.



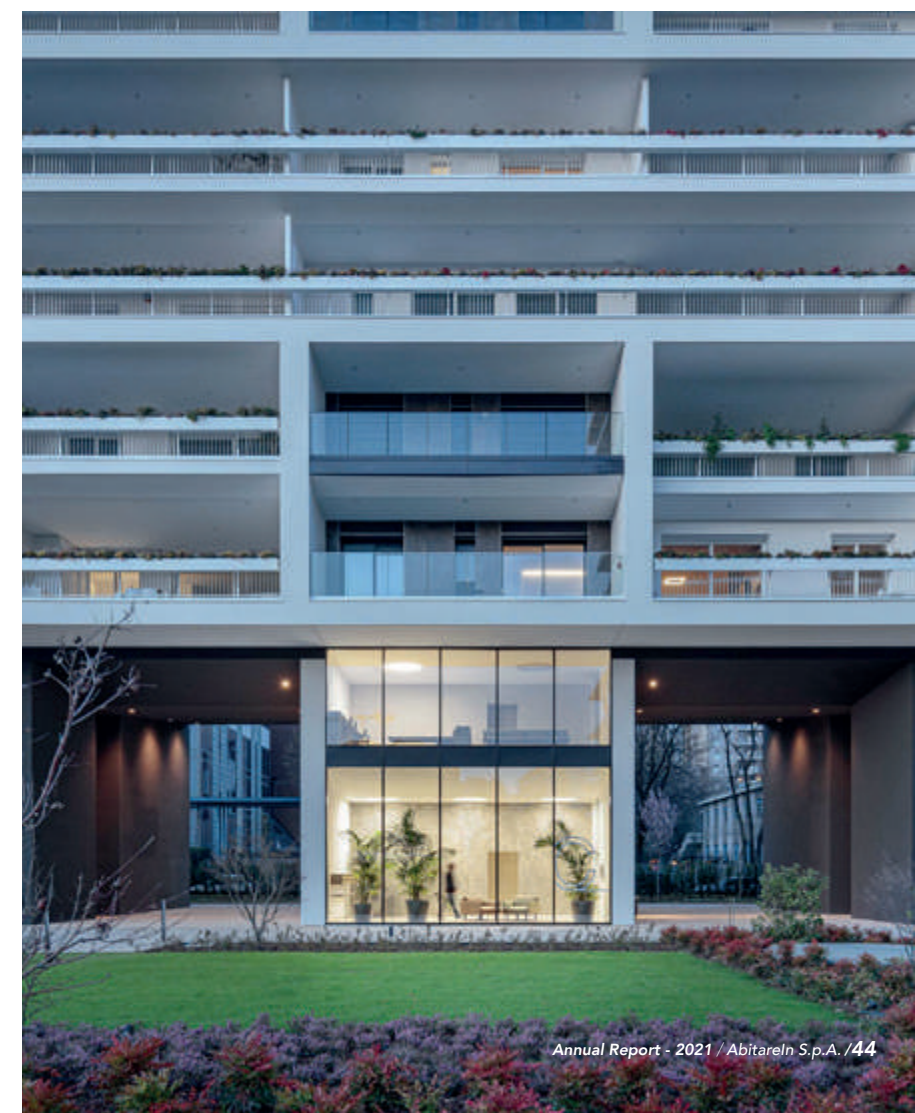
Location: Abitare in Maggiolina
Neighbourhood: Maggiolina
Milan





C

Location: Abitare in Maggiolina
Neighbourhood: Maggiolina
Milan





MILANO CITY VILLAGE: THE PRESENT THAT REWEAVES PAST AND ARCHITECTURAL FUTURE

by Abitare In®

An abandoned building, an inaccessible boundary. Long shadows stretch across an empty street. Spaces within the city but unknown to the community. 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 piazza, a meeting place, a zone of passage or a space to relax in, 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.

*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.*



Location: Milano City Village
Area: Viale Umbria
Milan
(virtual photo)



C

Location: Milano City Village site
Area: Viale Umbria
Milan
(December 2021)



TRILOGY TOWERS: GOLD, DIAMOND AND PLATINUM. THREE EVOCATIVE NAMES FOR THE ARCHITECTURAL COMPLEX IN THE PORTELLO AREA, *by* Abitare In®

A new jewel emerges from the rubble of an urban void.
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.

*“There’s no
place
like home”.*
Lyman Frank Baum, author



Location: Trilogy Towers, Milan
Neighbourhood: Portello
Milan
(virtual photo)



Location: Trilogy Towers Milan site
Neighbourhood: Portello
Milan
(November 2021)



PALAZZO NAVIGLIO: THE EVOLUTION OF SUSTAINABILITY

by Abitare In®

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.

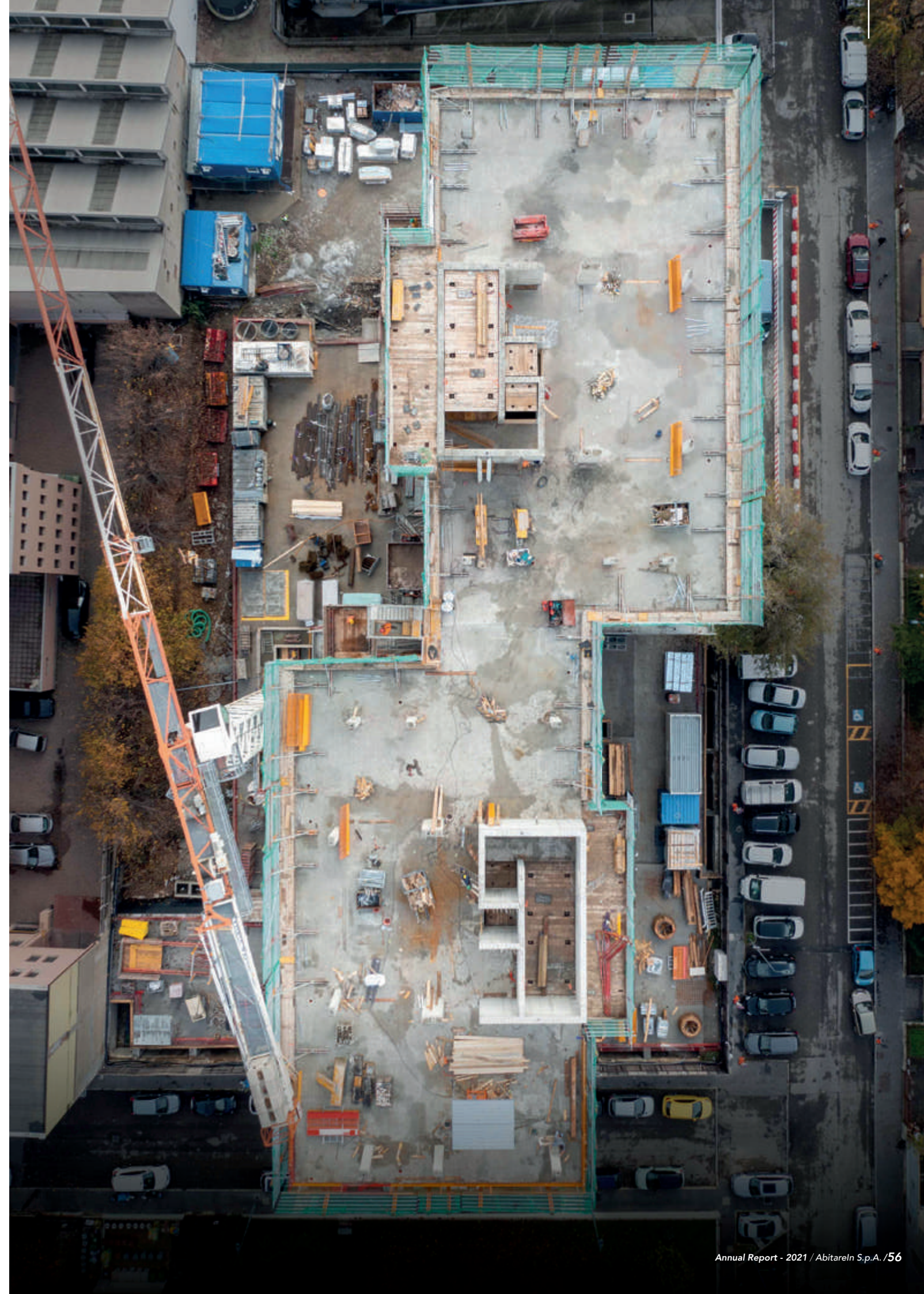
From Nature for Nature.

TECHNOLOGY FOR THE ENVIRONMENT

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 strong green philosophy.



Location: Palazzo Naviglio
Neighbourhood: Giambellino
Milan
(virtual photo)



105

SAVONA 105: A NEW ELEGANCE TO BE EXPERIENCED *by* Abitare In®

*When the search for beauty has a name: Savona 105.
A residential project that feeds on the ferment of the local context to synthesise it
into elegant proportions and iconic details.*

They call it “creative regeneration”: a process that gives new life to disused and abandoned material, through culture, art and design. By subtraction we discover the essence of space, reinterpreted in a contemporary way.

This is the new nature of the Tortona neighbourhood in Milan, the protagonist of a collective cultural revival in the name of creativity, art and fashion. A symbolic language spoken also by Savona 105, the new residential complex that has joined the chorus of regeneration.

Elegant, distinguished, unique, simple and symbolic are the words chosen to convey the essence of Savona 105. It is a “mature” project, aware of what it is and what it wants to communicate, without excesses.

The architectural composition enhances the forms and brings out the fine and delicate details, that are almost silent and difficult to imitate.

The balanced geometries provide the background for precious details, created simply with plaster painted in different shades or with tone-on-tone textured finishes on the surface to generate dynamic vibrations. Details that go almost unnoticed, except to the trained eye: the hidden details that conceal elegance at its finest. The building's enveloping atmosphere accompanies an experience of daily wellbeing, designed to meet the most current needs of city living.

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.



Location: Savona 105
Neighbourhood: Tortona
Milan
(virtual photo)

QUALITY AND ELEGANCE

Apart from having a functional value, the home also has a symbolic significance: it is the place where we live our lives, the intimate sphere of our inner-self. It is the place where we can be ourselves, where we can visualise and indulge in our dreams. It is the place where quality of life takes root, where the search for happiness begins.

An apartment tells the story of its inhabitants. The actors: the people, with their tastes, dreams and ambitions. The set: the rooms of the home that interpret their personality. Savona 105 tells stories of timeless elegance, pure essentiality and good living. The functional layouts allow for movement and action, the airiness and brightness of the rooms flood the space with positive energy, the deep open loggias are an invitation to enjoy the outdoor space as a natural extension of the living room. Every line in Savona 105 is the result of thoughtful consideration of what is needed to improve everyday living whilst, at the same time, ensuring surroundings of a refined elegance. The mood retraces the colour palette of the facade and draws its style from the pure lines and curves which, in a silent but never monotonous way, make the whole compo-



Location: Savona 105
Neighbourhood: Tortona
Milan
(virtual photo - interiors)



sition unique. Textural and tactile surfaces give character to the interiors, without domineering but enhancing the details of the space. Rigour yields to the warmth of the human presence and the signs of everyday life: the expressive power of Savona 105 is manifested right here, in its being a silent protagonist against the background of living.

Abitare In has incorporated all of its interior design research into this project too, both in the logic of the space and layout and in its design. Once again the result is surprising because of its ability to show end customers how to experience the home in a way that channels energy, resources, needs and desires towards a single objective: to enjoy the best living experience in their own homes. For Abitare In, living well is the secret to achieving mental and physical wellbeing. Translated: happiness.



OLIMPIA GARDEN: YOUR HOME IMMERSED IN THE GREENERY, A SHORT DISTANCE FROM THE CITY CENTRE

With a private green park, just a short walk from the line 3 underground station, Olimpia Garden is the AbitareIn Group's residential project consisting of 138 apartments across three buildings (two of which already built), with a large inner garden and a number of communal areas.

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

Unlike Abitare In's standard format - "build to order" through demolition and reconstruction - Olimpia Garden is being built on an existing complex and is currently in the stage of completion.

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.

As this is not one of Abitare In's standard developments, the Olimpia Garden project has been marketed through more traditional systems, excluding therefore event-type promotional campaigns.

C
Location: Olimpia Garden
Neighbourhood: Corvetto
Milan
(virtual photo)





Between the city centre and the local neighbourhood

Location: Olimpia Garden
Neighbourhood: Corvetto
Milan
(virtual photo)



A peaceful, pleasant setting where you can rediscover the pleasure of waking up every morning surrounded by nature or relax in and enjoy the outdoors from your private terrace or the garden.

A place where you can enjoy your own privacy, take refuge after a long day at work, feel the warmth of your family, be yourself.

A unique opportunity to live the future

An oasis of peace and tranquillity, sheltered from the chaos of the city but within easy reach with a wide range of transport links on your doorstep. Creative workshops, service hub, sports centre: breathe in the crisp air of change.



PORTA NAVIGLIO GRANDE: A NEW STORY TO BE EXPERIENCED *by* Abitare In®

A new experience of contemporary living.

Porta Naviglio Grande becomes part of the great examples of Italian excellence in architectural and design terms. The historical context of the Navigli hosts the residential complex that stands where the manufacturing company Richard-Ginori was once located, an icon in the production of porcelain and even nowadays still a symbol of elegance and Made in Italy design.

From the encounter between two examples of Italian excellence, the geometric one of architectural design and the evocative one of designer ceramics, a project takes shape that is identity-creating, modern and symbolic, composed of three buildings: two towers, joined at the base, and an in-line linear building.

The vertical line of the facades is pierced by terraces: intimate and protected outdoor spaces, exclusive lounges overlooking the city accented by contemporary linear cornices, examples of the attention to detail.

Today more than ever we recognise the importance and privilege of being able to live outdoors enjoying the benefits of fresh air and sun. For this reason, the project focuses on the theme of psychophysical well-being generated by contact with nature. The park, the communal heart and lush green soul at the centre of the residential complex, is the common thread of the project: a refuge from the chaos of the city that allows total immersion in tranquillity. Tall trees and lush bushes are interspersed with places to stop and rest in which to contemplate the quiet, read a book and walk.



Location: Porta Naviglio Grande
Neighbourhood: San Cristoforo sul Naviglio
Milan
(virtual photo)

A HOME, YOUR REFLECTION

Inspiration and personality take shape in the domestic environment.

Abitare In provides tools to involve the user from the early design stages, allowing a choice between different types, living rooms and furnishing systems. Taylor Made Home, an exclusive customisation system, offers the opportunity of evaluating and choosing possible internal distributions and finishes to meet specific needs, requirements and tastes. A made-to-measure space to perfectly accommodate its inhabitants. The apartments consist of unique interiors that extend towards the outdoor loggias, that are covered and can be furnished. The surfaces are defined by quality materials chosen specifically for Porta Naviglio Grande: from the versatility of ceramics, for those who embrace practicality, to the warm notes of wood, for lovers of timeless elegance. Thus, functionality and aesthetics are shaped to meet personal needs by creating domestic environments in which each space vindicates its own value.



Location: Porta Naviglio Grande
Neighbourhood: San Cristoforo sul Naviglio
Milan
(virtual photo)



*“Beauty
is the
splendour
of truth.”
Plato*



THE UNITS NEW STORIES TO BE LIVED

A contemporary urban villa, with a comfortable and elegant character, encloses an exclusive collection of apartments: places of daily regeneration and starting points for city living.

A new collection of urban apartments is being created in a contemporary style with comfortable spaces, suitable for the city's dynamic life. The Units embody Milan's innovative spirit.

*"My motto in life?
Buy a work of art
a day."
Peggy Guggenheim*



Location: The Units
Neighbourhood: Piazzale Accursio
Milan
(virtual photo)



A HARMONY OF CONTRASTS

The compact texture of the stone and wood, frames the shared but private living spaces, connected to one another by walkways and slopes, made to feel light by the combination of glass and steel handles.



*Location: The Units
Neighbourhood: Piazzale Accursio
Milan
(virtual photo - loggia)*

LASTING BEAUTY

The appearance of the façades is impeccable thanks to the choice of Twix®, created from natural wood fibres and treated externally to resist natural, environmental or chemical alteration processes.



*Location: The Units
Neighbourhood: Piazzale Accursio
Milan
(virtual photo)*





LAMBRATE TWIN PALACE FROM THE TRACES OF THE PAST TO A NEW STORY

Recollection and Innovation

Founded on the historical traces of the company Angelo Bombelli, the residence lends a new identity to the urban corner linked to Milan's manufacturing past, but projected towards the contemporary and regeneration.

Parapets and brise-soleil solar shading shape the façades that are most exposed to the light, enhancing a strong aesthetic and material value: slender and elegant metal and wood, are a tribute to the industrial culture and a sign of modernity.

Nuances with industrial echoes are enriched by gold effect finishes and warm tones. The rigour is brought to life by colour details that highlight architectural components, such as loggias and windows.

Energy savings, wellbeing and healthfulness are all achieved whilst respecting the environment. By protecting and enhancing nature, Lambrate Twin Palace will take care of its residents and a portion of the city.



Location: Lambrate Twin Palace
Neighbourhood: Lambrate
Milan
(virtual photo)

"Where a work is created, where a dream continues..."
"Hermann Hesse"





LOGGIAS AND ROOFTOP

All the apartments have a well-lit and airy outside environment, that is simply a continuation of the day area. Here you can relax at any time, far from the frenzy of the city.

The perfect place for those who prefer large open-air spaces in which to spend time and share special occasions: the private terrace, with triple exposure, offers a fascinating wide-angled view of Milan



*Location: Lambrate Twin Palace
Neighbourhood: Lambrate
Milan
(virtual photo - loggia)*

PARK AND WORK OF ART

The Lambrate Twin Palace garden will be a beautiful green oasis with shady seating, high trees and fragrant shrubs surrounded by an arcaded courtyard for the community areas.

In the reception area, the "Departing" sculpture will surprise both residents and guests. It's a tribute to the artist Giampaolo Talani who is fond of the theme of movement, dreams and travel.



*Location: The Units
Neighbourhood: Lambrate
Milan
(virtual photo - entrance)*



*Stilisti
Urbani*

Made in Milano

LETTER TO SHAREHOLDERS

Dear Shareholders,

the approval of the 2021 financial statements comes at the end of an exceptionally eventful year with some important milestones achieved, despite the continuation of some consequences of the pandemic. The first few months of the year saw us complete the transition to the Euronext STAR Milan market, Borsa Italiana's segment for high performance (requirement) equities, a tangible sign of the level of maturity achieved by our Company in such a short period. Listing on the main market was one of the strategic objectives we set ourselves ever since the company was founded and we have achieved it in less than 5 years thanks to a process of exponential growth. We have achieved a position of leadership in our City, in less than 5 years, with far better results than the forecasts of the first listing and with new, even more challenging, growth prospects. The transition to the Main Market represented an important springboard for AbitareIn, which allowed us to measure up to and attract the interest of a wider audience of investors, with important implications for the stock as well - which in the last year has recorded exceptional performance levels - as also demonstrated by the success of the ABB transaction concluded at the end of October, which saw the entry of major international investors in our company's shareholder structure. But not only that, during this year we have continued our scouting activities for new areas, without pause, and further increased our development pipeline, by entering into agreements for the purchase of 7

new areas, corresponding to over 800 new standard apartments for over 300 million euro in revenues at current sales prices. We continuously reiterate that the pipeline is the main indicator of the state of health of companies like ours, the main element guaranteeing stability and continuity of results. Today, with a pipeline of over 3,400 apartments under development, split into 22 different projects, we are the main residential developer in the city of Milan, and we are aware that this also means being responsible for most of its urban regeneration. We are also very proud of another important result achieved during 2021: this year we approved our first Sustainability Report, making our commitment more concrete and measurable. The sustainability of our work is very important to us and we are constantly working to improve our performance in this sense as well, aware that a business that can be defined as mature cannot just be financially profitable, but must aim to have a positive impact in the world in which it operates. And in October this year we already received important confirmation that we are on the right track, when AbitareIn was included in the top 100 Italian firms demonstrating excellence in sustainability, the ranking having been drawn up by Credit Suisse and KON Group in partnership with Forbes.

Last but not least in terms of importance: after two years of studies and investments to finalise this new business model, we have recently announced the listing of Homizy - the AbitareIn Group company dedicated to developing real estate for rental under the co-living formula to young employees - on the Euronext Growth market, in the Professional Segment. In the last two years, Homizy has already started work on the first two operations, involving the creation of a total of just under 600 rooms in around 150 shared flats.

The project was initiated as an opportunity to take advantage of the significant increase in the value of properties, thanks not only to the growth of the market but also to the effect of redeveloping different areas of the city of Milan - which also has the ability to attract constantly growing young workers and a demand for housing for this target that is still very neglected and often not within their spending power - and it has been designed and improved to become increasingly part of that process of ecological transition involving the real estate sector.

Homizy's listing marks not only the achievement of a strategic objective whilst keeping a promise made since its inception, but also demonstrates the level of autonomy now achieved by this new business line, which is preparing to face the market and make an important, yet still untapped value, clear, with the aim of rapidly achieving a position of leadership.

Luigi & Marco

*Abitare In is like a tailor...
who makes tailor-made suits.*

LUIGI, FOUNDER

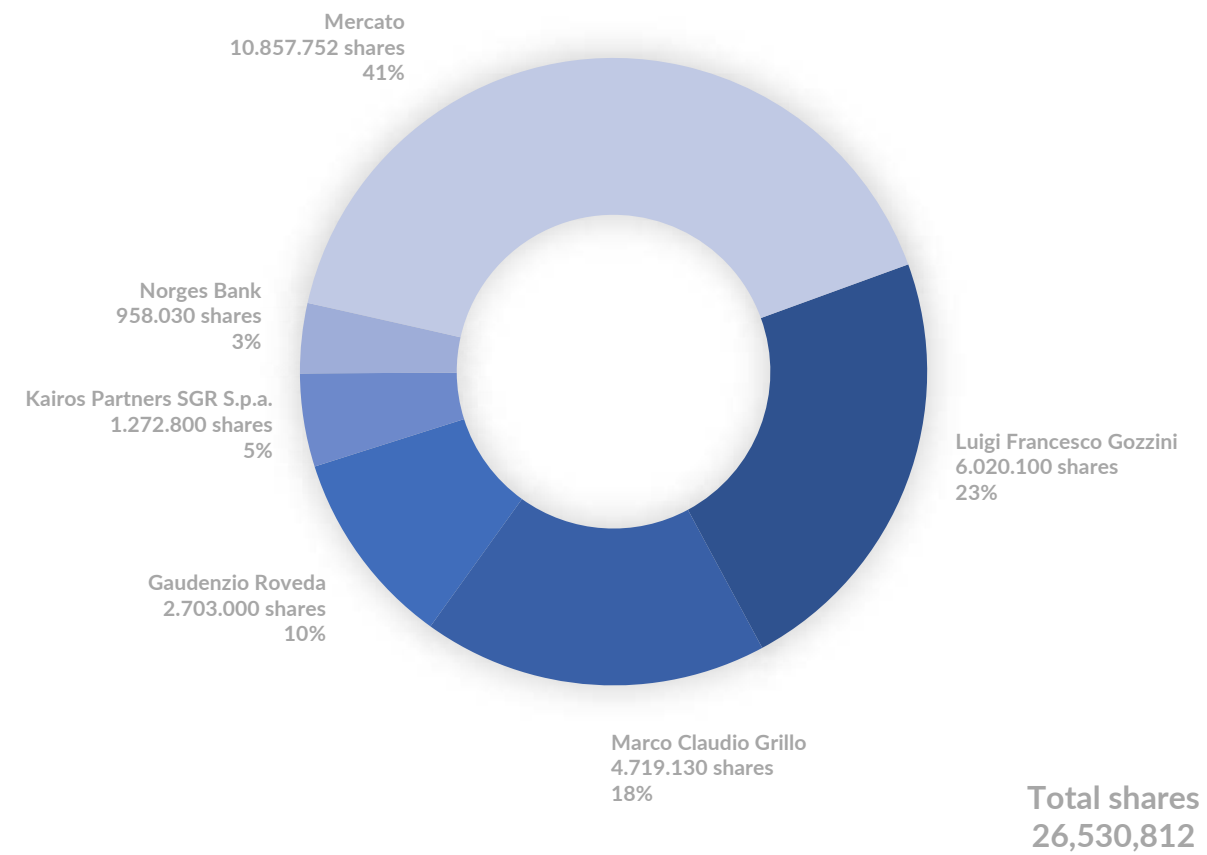


*We establish a relationship of
synergy and trust with our customers*

MARCO, FOUNDER

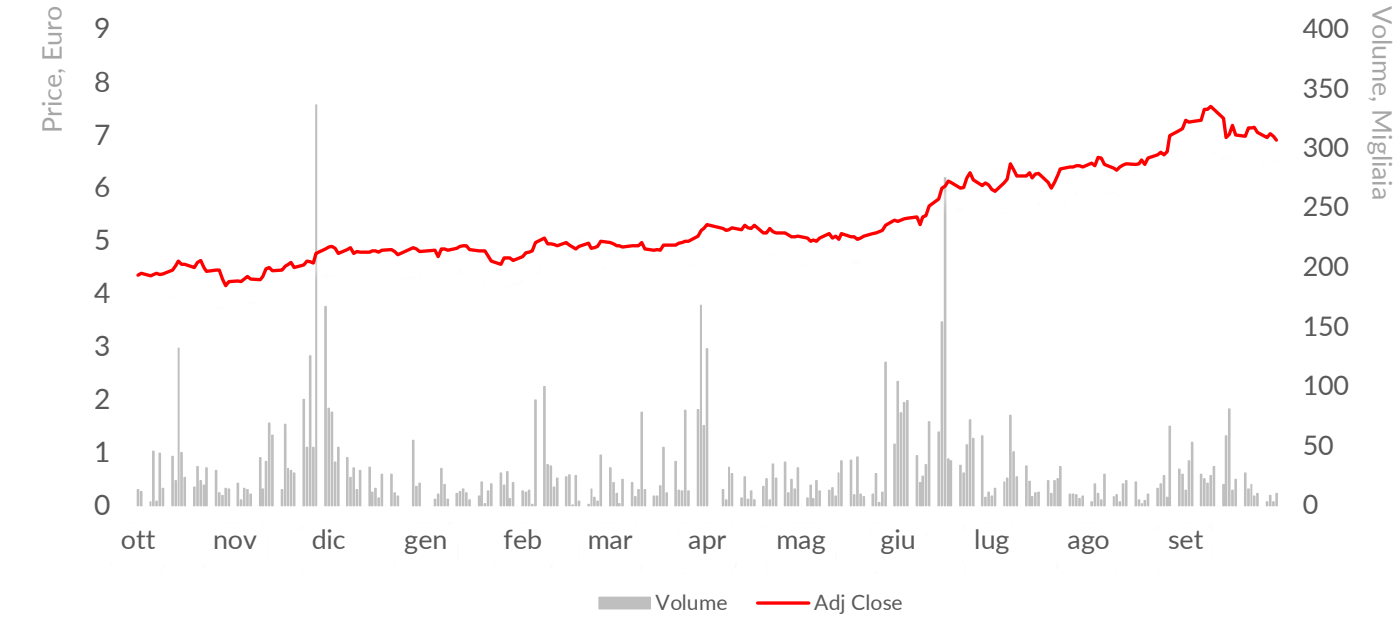
SHAREHOLDER BASE

As at 3 December 2021, in accordance with the reports submitted pursuant to art. 120 of Legislative Decree 58 of 24 February 1998 - Consolidated Law on Finance (TUF), the situation of the relevant shareholders of Abitare In S.p.A. was as follows:



STOCK

Abitare In S.p.A. is listed on the Euronext Milan Segment Euronext STAR. The table below shows the stock performance and the volumes traded from 1 October 2010 to 30 September 2021.



GROUP OPERATING PERFORMANCE IN THE YEAR ENDING 30 SEPTEMBER 2021

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

Reclassified consolidated income statement

Description	30.09.2021	% on core business revenues	30.09.2020	% on core business revenues
Revenue from the sale of real estate	50.436.019	40,41%	41.368.522	56,61%
Changes in inventory of work in progress and finished products	20.653.707	16,55%	8.527.320	11,67%
Change in inventory of real estate complexes purchased	49.698.315	39,82%	20.600.000	28,19%
Other revenue	4.029.629	3,23%	2.580.491	3,53%
Total revenue from operating activities	124.817.670	100,00%	73.076.333	100,00%
Production costs	102.527.755	-81,89%	59.245.407	-81,07%
ADDED VALUE	22.289.915	18,11%	13.830.926	18,93%
Personnel expenses	2.108.140	-1,68%	3.589.598	-4,91%
Other operating expenses	1.882.118	-1,50%	1.392.872	-1,91%
EBITDA	18.299.657	14,92%	8.848.456	12,11%
Adjusted EBITDA (1)	21.226.614	14,92%	10.069.890	13,78%
Depreciation/amortisation, impairment and other provisions	1.436.023	-1,15%	753.747	-1,03%
EBIT	16.863.634	13,78%	8.094.709	11,08%
Adjusted EBIT (1)	19.790.591	13,78%	9.316.143	12,75%
Financial income and expenses and adjustments to financial assets	(160.745)	-0,13%	3.115.969	4,26%
EBT	16.702.889	13,65%	11.210.678	15,34%
Adjusted EBT (1)	19.629.846	13,65%	12.432.112	17,01%
Income taxes	(4.540.687)	-3,62%	(2.028.550)	-2,78%
Profit (loss) for the year	12.162.202	10,02%	9.182.128	12,57%

¹ In the year as at 30 September 2021, adjusted due to an increase in costs (Euro 0.5 million) arising from the process of translifting the Company's shares on the MTA market, STAR segment, and notional costs (Euro 2.4 million) arising from the application of IFRS 2 in relation to the allocation of the Stock Grant. In the year as at 30 September 2020, adjusted due to an increase in notional costs (Euro 1.2 million) arising from the application of IFRS 2 in relation to the allocation of the Stock Grant.

The financial year ended 30 September 2021 saw CONSOLIDATED REVENUE equal to Euro 124.8 million, deriving from:

- (i) sales revenue of Euro 50.4 million (41.4 million as at 30 September 2020), deriving from the deliveries of the last part of the Abitare In Maggiorina project and the first 104 units of the Olimpia Garden project
- (ii) change in inventory for progress of works on real estate projects, amounting to Euro 20.7 million, net of outgoing inventory linked to the conclusion of works and subsequent handover of completed projects to customers. Production progress is equal to Euro 48.3 million (Euro 38.8 as at 30/09/2020). Construction continues in the sites of Milano City Village, Trilogy Towers, Palazzo Naviglio and Olimpia Garden (now completed) and the preparatory works of Lambrate Twin Palace, Cadolini Ex Plasmon, Porta Romana and Naviglio Grande.
- (iii) change in inventories for the purchase of new areas, for an amount equal to Euro 49.7 million (Euro 20.6 million as at 30/09/2020).
- (iv) other revenue from core operations for Euro 4 million (Euro 2.6 million as at 30/09/2020) deriving mainly from the activities carried out for Homizy.

CONSOLIDATED ADJ EBT amounts to Euro 19.6 million, up due to:

- Euro 0.54 million for "listing costs" for the transition to the Euronext Milan stock market, Euronext STAR Milan segment,
- Euro 2.37 million for notional costs arising from the application of IFRS 2 in relation to the Stock Grants allocated to the management.

Reclassified consolidated statement of financial position

Investments	30.09.2021	30.09.2020
Intangible assets	1.673.958	1.264.746
Property, plant and equipment	8.980.198	6.460.385
Equity investments in other companies	4.370.694	2.296.000
Other non-current assets	1.172.151	883.154
Other current assets	18.343.212	16.675.220
Inventory	209.663.389	139.058.289
Other current and non-current liabilities	(96.267.664)	(82.145.300)
NET INVESTED CAPITAL	147.935.938	84.492.494
Cash and cash equivalents	(13.778.285)	(35.480.995)
Current financial payables	16.710.663	14.905.876
Non-current financial payables	72.167.050	46.724.134
NET FINANCIAL POSITION	75.099.428	26.149.015
Share capital	129.677	129.677
Reserves and profit (loss) carried forward	60.515.075	49.016.598
Profit (loss) for the year	12.191.758	9.197.205
EQUITY	72.836.510	58.343.480
SOURCES OF FINANCING	147.935.938	84.492.495

Net financial position

Consolidated Net Financial Position 30.09.2021 amounts in Euro		30.09.2021	30.09.2020	Change
A.	Cash and cash equivalents	13.778.285	35.480.996	(21.702.711)
B.	Means equivalent to cash and cash equivalents	-	-	-
C.	Other current financial assets	-	-	-
D.	Liquidity (A) + (B) + (C)	13.778.285	35.480.996	(21.702.711)
E.	Current financial payables	16.362.833	14.837.465	1.525.368
F.	Current portion of non-current debt	347.830	68.411	279.419
G.	Current financial debt (E) + (F)	16.710.663	14.905.876	1.804.787
H.	Net current financial debt (G) - (D)	2.932.378	(20.575.120)	23.507.498
I.	Non-current financial payables	71.639.614	46.114.405	25.525.209
J.	Debt instruments	-	-	-
K.	Trade payables and other non-current payables	527.436	609.729	(82.293)
L.	Non-current financial debt (I) + (J) + (K)	72.167.050	46.724.134	25.442.916
M.	Total financial debt (H) + (L)	75.099.428	26.149.014	48.950.414

THE CONSOLIDATED NET FINANCIAL POSITION is equal to Euro 75.1 million (Euro 26.1 million as at 30/09/2020), an increase of Euro 49 million compared to 30 September 2020, versus total investments of Euro 98.0 million, comprising Euro 49.7 million for purchase of new areas and Euro 48.3 million for work on orders in progress (progress of construction sites). Therefore, net of investments to purchase new areas, the consolidated NFP would have amounted to Euro 25.4 million.

Financial payables to banks break down

Loan type (Euro/000)	Borrower company	Beyond			
		Within one year	one year and within 5 years	Beyond 5 years	Total payable
Loan	Abitare In S.p.A.	433	546	-	979
Loan	Abitare In S.p.A.	951	4.220	-	5.171
Loan	Abitare In S.p.A.	-	4.482	-	4.482
Loan	Abitare In S.p.A.	18	4.954	-	4.972
Mortgage loan	Abitare In Development 3 S.r.l.	185	982	1.234	2.402
Unsecured loan	Abitare In Development 4 S.r.l.	15	4.685	-	4.700
Loan	Abitare In Development 5 S.r.l.	31	8.196	-	8.226
Landed property loan	Abitare In Development 7 S.r.l.	4.967	-	-	4.967
Landed property loan	Savona 105 S.r.l.	70	5.085	5.547	10.701
Landed property loan	Porta Naviglio Grande S.r.l. (former Mica S.r.l.)	-	2.990	-	2.990
Landed property loan	TheUnits S.r.l. (former Alibranda S.r.l.)	-	138	354	492
Landed property loan	Milano City Village S.r.l.	93	11.466	4.986	16.545
Landed property loan	Trilogy Towers S.r.l.	3	1.111	396	1.510
Landed property loan	Palazzo Naviglio S.r.l.	11	1.576	2.988	4.575
Credit facility backed by landed property	Milano Progetti S.r.l.	9.510	-	-	9.510
Mortgage loan	MyCity S.r.l.	76	971	1.439	2.486
Landed property loan	Lambrate Twin Palace S.r.l. (former Milano Living S.r.l.)	-	358	2.936	3.294
TOTAL		16.363	51.760	19.880	88.002

It should be noted that the landed property loans granted by banks totalled Euro 172 million, of which Euro 45 million used.

The item "Other financial payables" mainly includes the financial payable to the leasing company in relation to the purchase of the property located at Via Amadeo, 57 (Euro 417 thousand), the financial payable for the leaseback agreement entered into with BNL in relation to office equipment (Euro 88 thousand) and the financial payables relating to the multi-year right to use the property by the chairman of the Board of Directors (Euro 147 thousand) and financial payables of the subsidiary Accursio Srl to the previous owners (Euro 200 thousand).

Ratios

STRUCTURE RATIOS	30.09.2021	30.09.2020
Equity to non-current assets ratio		
EQUITY/NON-CURRENT ASSETS	4,44	5,35
Equity + non-current liabilities to non-current assets ratio		
EQUITY + NON-CURRENT LIABILITIES/NON-CURRENT ASSETS	13,32	13,54

EQUITY AND FINANCIAL RATIOS	30.09.2021	30.09.2020
Leverage		
INVESTED CAPITAL/EQUITY	3,54	3,46
Investment flexibility ratio		
CURRENT ASSETS/INVESTED CAPITAL	93,68%	94,61%
Financial debt ratio		
BORROWINGS/EQUITY	3,54	3,46

PROFITABILITY RATIOS	30.09.2021	30.09.2020
ROD		
FINANCIAL EXPENSES/INTEREST-BEARING DEBT	2,63%	3,37%
ROD*		
FINANCIAL EXPENSES/INTEREST-BEARING DEBT	1,90%	2,44%
ROS		
EBIT/NET SALES	13,51%	11,08%
ROI		
EBIT/INVESTED CAPITAL	6,53%	4,00%
ROE		
NET PROFIT/EQUITY	16,82%	15,74%

* Net of commission

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 linked to the spread of the Covid-19 pandemic

The persistence of the epidemic linked to the spread of SARS-CoV-2 respiratory syndrome and the related COVID-19 disease has had and may continue to have a significant negative impact on the operations and results of the Group and the entire market in which it operates. Moreover, the spread of COVID-19 or other contagious diseases is beyond the Group's control and therefore there is no guarantee that the Group will be able to counter its effects or the impact on its operations and results in the future. The Group was exposed, in the period between February and May 2020, to restrictive measures, such as, for example, the temporary closure of construction sites commissioned by the Group, and is also exposed in the future to the risk deriving from the adoption by public authorities of further and new measures aimed at preventing and/or limiting the spread of Coronavirus and from the operational and economic consequences arising from the adoption of such measures.

The occurrence of the events subject to these risks could have significant negative effects on the Group's financial position, earnings and cash flows.

Due to the rapid spread of the Coronavirus, the Italian Government has adopted and may adopt in future restrictive measures aimed at containing the further spread of the pandemic, the most important of which have involved restrictions and controls on the movement of people, the prohibition of gatherings and the closure of factories, offices, and construction sites.

The current epidemiological situation could also have serious economic, financial and cash flow effects on the contractors identified by AbitareIn for the execution of the various real estate projects. If the contractors, due to situations of economic instability, should no longer be able to comply with their commitments, according to the terms, economic conditions and methods agreed with Abitare In, or should be subject to insolvency or bankruptcy procedures, Abitare In would be in the position of having to replace them with other parties, rapidly and

with consequent increases in times and costs to complete its ongoing real estate projects.

At the date of this report, it is not possible to exclude the possibility of new waves of COVID-19 infections that may force the government authorities to again impose restrictive measures to contain the further spread of the virus and, therefore, it is not possible to predict the additional negative effects that the continuation of the pandemic will cause, not only on the Group's activity, but also on financial markets and domestic economic activities.

Risks linked to the Company's and Group's business activity

The Company's and Group's financial performance could be negatively affected by delays in the completion of the projects, mainly arising from the uncertain timing of the application process to obtain authorisations and permits from the Public Administration. Moreover, considering that the execution of the works is entrusted to third-party firms, the projects may be affected by unexpected costs arising from external factors that were not budgeted for in the 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.

Risks connected to the Group's operations

The Abitare In Format, which includes the search for building plots, the verifying, management and obtaining of 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, being prepared according to the national accounting standards issued by the Italian Accounting Body (OIC), achieves revenues deriving from the sale of properties and therefore there are no distributable profits in favour of the Issuer.

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

Risks linked to the performance of the real estate market

The real estate market is affected by cyclical trends and by a range of variables, including, for example, the performance of the economy in general, changes in interest rates, the evolution of inflation, tax legislation and liquidity available on the market.

In the euro area, real estate growth is moving at a moderate pace but gradually speeding up, driven by internal demand components. Global economic uncertainties, in part influenced by geopolitical tensions, are the main factor of risk for the economic activity.

Liquidity risk

The liquidity risk is the risk that a company will have insufficient funds to operate the business and develop its operating activities.

The two key factors that affect liquidity are, on the one hand, the resources generated by or used in operating and investing activities, and on the other hand, the maturities and renewal dates of debt or the liquidity of financial investments and the market conditions.

The financial resources raised by listing the Group on the Euronext Growth Milan market (formerly AIM Italia market/Mercato Alternativo del Capitale) and subsequently on the Euronext STAR Milan market, combined with the funds generated from the business, especially by investee companies, are sufficient to ensure the exact completion of the operating activities and the 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, Abitare In 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 projects, 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 economic 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 Abitare In 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 Abitare In 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 IN THE PERIOD AND HOLDING RESULTS

During the reporting period, the Group operated on several fronts.

First of all, delivery of the apartments in the Abitare In Maggiolina project was continued and completed in the year, with the simultaneous repayment of the related mortgage loan.

In addition, throughout the year, the Group continued scouting for and purchasing new areas, bringing the size of the Pipeline - net of the discharge due to delivery of the Abitare In Maggiolina project - to a total of 308,000 square metres of net saleable area.

Specifically, in addition to having signed the final contracts for 4 areas already subject to preliminary agreements in the Lambrate and Navigli areas (together with the signing of the related mortgage loans for the construction of the works), 7 new areas entered the Pipeline, in the areas of Corvetto, Scalo Porta Romana, Ortica, Rubattino (already signed), Greco, Accursio and Bisceglie.

Also in the reporting period, the Group started marketing 4 new projects (or batches of projects): Porta Naviglio Grande, Savona 105, Lambrate Twin Palace and The

Units, all marketed exclusively through the e-commerce platform.

Demolition and construction work also continued at the various construction sites, as did all the design activities and obtaining of the authorisation procedures for the other Pipeline projects.

The reporting period also saw the conclusion of the process for the translisting of the Company's shares on the Euronext STAR Milan market. In particular, in December 2020 the shareholders' meeting approved the plan for the transition to the main market, which ended with the start of negotiations on 1 March of this year.

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, the 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).

Finally, the Shareholders approved a free capital increase, pursuant to art. 2349 paragraph 1 of the Italian Civil Code, for a maximum nominal amount of Euro 5,100, corresponding to a maximum of 1,020,000 shares for the purposes of implementing the Plan (also considering the split mentioned above).

During the year, the Company also approved and published its first Sustainability Report, in order to give greater clarity to its ESG commitment and make it easier to measure.

During the financial year, the Group also continued to carry out research and development for the implementation of ever better and innovative technological solutions to be used at every stage of the production process. In addition to the improvement of the e-commerce platform, implemented with the ability to make payments directly on the site and the creation of a "home-

configurator” for customizing real estate units directly online, the Company continued to study and implement information systems for the management of all the project phases.

EVENTS AFTER 30 SEPTEMBER 2021

The Group also continued work at the construction sites and the procedures to obtain permissions and authorisations for the sites in the Pipeline, which includes over 300,000 sqm of net saleable area across 22 projects located in strategic areas of the city.

In addition, at the end of October an initial teaser phase was launched to market the Palazzo Sintesy project, located in the Rubattino district of Milan. Palazzo Sintesy is a project of the "Prime Edition" line that envisages the construction of about 100 standard apartments.

In October (precisely between 22 and 23 October), the Company saw the entry of important international operators into its shareholder base. This entry was possible thanks to an ABB (Accelerated Bookbuilding) procedure specifically reserved for underwriting by foreign investors only. The procedure ended with Euro 4 million raised in capital and the issue of 595,432 ordinary shares.

Another very important result achieved after the end of the financial year that confirms AbitareIn’s attention to the sustainability of its business is the Company’s inclusion in the top 100 Italian firms demonstrating excellence in sustainability, the ranking having been drawn up by Credit Suisse and KON Group in partnership with Forbes and published in October.

Finally, on 10 November 2021 the Company informed the market of the subsidiary Homizy S.p.A.’s board of directors’ approval of the project to list it on the Euronext Growth Milan market, professional segment. Homizy S.p.A. has already started work on the first two operations, two projects located in the east of the Città Studi district in Milan with a total of just under 600 rooms in around 150 shared flats. The two projects involve the recovery of two existing buildings, thus minimising the use of resources.

OUTLOOK

In the current period, AbitareIn will continue to work both on ongoing (and new) development sites and on obtaining the required authorisations, whilst also

focussing constantly on scouting new areas in order to further consolidate its position of leadership in Milan. The management also intends to adopt a sales strategy for new operations that involves reducing the time between the sale and the handover of real estate units in order to benefit as much as possible from the constant increase in sales prices (up to 10% on Group projects to date) without increasing the level of business risk. This strategic choice may lead to an increase in cash requirements in the short term given the delay in the collection of deposits and advances from customers.

The market is currently witnessing a general increase in construction costs, and the evolution of this phenomenon remains difficult to assess. To cope with this circumstance, the Company has in any case already developed several strategies: careful planning first of all, also facilitated by the possibility of managing the start of the different construction sites in an "opportunistic" manner, thanks to the size and versatility of the pipeline. In addition, the Company has entered into multi-year direct agreements at Group level with several suppliers, in order to offset any future increases. Finally, the introduction was also envisaged, within the contracts with customers, of a so-called "price adjustment" clause, which allows the sale price of the apartments already subject to a preliminary contract to be changed on the basis of the index of construction costs issued by ISTAT.

INTERGROUP AND RELATED-PARTY TRANSACTIONS

As provided for in the Consob Issuers’ Regulation, the Company has adopted a “Related-Party Transactions Procedure”. For further information, see the “Investors” section of the www.abitareinspa.com website. The transactions carried out by Abitare In and the companies included in the scope of consolidation with other related parties are part of ordinary operations and are conducted at arm's length. The information on related-party transactions, including the information required by CONSOB Communication of 28 July 2006, is presented in note 24 to the consolidated financial statements at 30 September 2021.

RESEARCH & DEVELOPMENT ACTIVITIES

During the year, work continued on the development and integration of the CRM platform, a management platform for the integration between Revit and Salesforce, an e-commerce platform. The total investment incurred in the reporting period amounted to Euro 423 thousand.

OVERVIEW OF THE MAIN PENDING LITIGATIONS

As at the date of the Prospectus, the Company has not set aside a provision for risks in the financial statements to cover any liabilities arising from the procedures described below.

Italian Revenue Agency request

For contracts for consideration transferring or constituting rights in rem, the tax base on which the registration tax due must be measured is represented by the "value of the asset or right on the date of the deed" (Article 43 of Presidential Decree 131/86); as the value, pursuant to Article 51, paragraph 1 of Presidential Decree 131/86 "subject to the provisions of the following paragraphs, the value declared by the parties to the deed and, in its absence or if higher, the consideration agreed for the entire duration of the contract is assumed as the value"; Article 51, paragraph 2 of Presidential Decree 131/86 specifies that, "for deeds involving real estate or real estate rights and for those involving companies or real rights over them, the market value in normal trading is understood as the value. This implies that at the time of registration of the deed, in the absence of a separate indication of the value of the asset and the agreed consideration, the tax is paid on the latter. Subsequently, the Italian Revenue Agency, in the manner provided for in Article 51, paragraph 4, checks that the consideration indicated in the deed effectively reflects the market value in normal trading of the property complex sold. On 30 January 2019, Milano City Village received a request (questionnaire no. Q00022/2019) from the Italian Revenue Agency 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 check that the consideration indicated in the deed effectively reflected the market value in normal trading of the property complex sold. The Company therefore provided the Tax Authority with the required documentation. Subsequently, on 24 September 2020, Milano City Village received (as part of the same procedure established following receipt of the aforementioned questionnaire) an invitation to adversarial proceedings no. I00052/2020 from the Italian Revenue Agency; following receipt of this invitation, proceedings with the Tax Authority were duly established. On 6 November 2020, following the meeting held on 20 October 2020, the Company sent the Tax Authority an expert report on the characteristics of the environmental reclamation and remediation carried out on the area in question in order to confirm the fairness of the consideration for the purchase and sale of the area. With the transmission of this

report, the Company requested a new meeting in order to be able to hear any comments from the Italian Revenue Agency regarding the content of the report and provide any further information necessary to settle the matter. As at the date of the Prospectus, this last communication has remained unanswered.

In the event of an unfavourable outcome in this dispute, Milano City Village could be obliged to pay an amount equal to 2%, plus penalties and interest, of the higher sale value ascertained, if any. The Issuer considers the payment of this amount an improbable charge. These deeds (the questionnaire of 30 January 2019 and the invitation to adversarial proceedings of 24 September 2020) constitute preparatory deeds to ascertaining any higher tax owed by Milano City Village.

Procedure with the Municipality of Milan

With assessment notices served on Abitare In Maggiolina, on 6 November 2020, the Municipality of Milan established a higher Municipal Property Tax (IMU) for the years 2016, 2017 and 2018, respectively of 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 assessment notices are the result of the calculation by the Municipality of Milan, which appears to be attributable to its failure to transpose the cadastral changes and values communicated by the Company in relation to the developable area located in Milan, Via Angelo Fava no. 20. Following the appeal filed by Abitare In Maggiolina, the Milan Provincial Tax Commission declared that the dispute was terminated with respect to the tax years 2017, 2018 and confirmed the tax claim for 2016. These are the results of the ruling issued by the Milan Provincial Tax Commission, which only filed the operative part of the decision. Abitare In Maggiolina is awaiting the publication of the reasons for the judgement in order to consider the grounds for an appeal. In the event of an unfavourable outcome in this dispute, Abitare In Maggiolina could be obliged to pay approximately Euro 79,190.00. The Issuer considers the payment of this amount a probable charge. Therefore, a liability of the same amount has been set aside.

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 Abitare In S.p.A. resolved to adopt the simplification regime provided for in Articles 70, paragraph 8, and 71,

paragraph 1-bis, of the Regulation adopted by CONSOB with resolution no. 11971 of 14 May 1999, as amended, thus availing itself of the right to waive the obligations to publish the information documents envisaged in Annex 3B of the aforementioned CONSOB Regulation at the time of significant mergers, demergers, capital increases through the contribution of assets in kind, acquisitions and disposals.

Own shares

The Abitare In Group does not hold own shares.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES 2021

pursuant to Article 123-bis of the Consolidated Law on Finance

traditional management and control model

Abitare In S.p.A.
www.abitareinspa.com
for the year as at 30 September 2021

approved by the Board of Directors on 3 December 2021

to be presented to the Shareholders' Meeting on 21 January 2022

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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.

Code/Code of Conduct: this means the Code of Conduct for listed companies approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria.

Corporate Governance Code: this means the Corporate Governance Code for listed companies adopted on 31 January 2020 by the Corporate Governance Committee for listed companies and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria. The companies that adopt the Corporate Governance Code apply it from the first financial year starting after 31 December 2020, informing the market in their report on corporate governance to be published during 2022.

Civil Code: this means the Italian Civil Code.

Control and Risk Committee: this means the control and risk committee provided for 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 3 December 2021, 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 Abitare In: this means Abitare In 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 2021 which the Report refers to.

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 Abitare In 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 4.1 of this Report.

Majority list for the Board of Statutory Auditors: has the meaning referred to in paragraph 13 of this Report.

Minority List: has the meaning referred to in paragraph 4.1 of this Report.

231 Model: this means the organisational, management and control model referred to in paragraph 11.3 of this Report.

Supervisory Body: has the meaning referred to in paragraph 11.3 of this Report.

Related-Party Transaction Procedure: has the meaning referred to in paragraph 1.2 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.

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.

Minority Statutory Auditor: has the meaning referred to in paragraph 13 of this Report.

Minority Substitute Statutory Auditor: has the meaning referred to in paragraph 13 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.

INTRODUCTION

This Report, approved by the Company's Board of Directors on 3 December 2021, aims to illustrate the corporate governance system adopted by Abitare In 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 AND CORPORATE GOVERNANCE SYSTEM

1.1 Profile

Established in 2015, Abitare In 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.

1.2 Corporate Governance System

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

- (a) the Shareholders' Meeting which is eligible to pass resolutions in ordinary and extraordinary session on the matters reserved to it by law or by the Articles of Association;
- (b) the Board of Directors vested with all the powers of ordinary and extraordinary administration, except as expressly provided for by the law and the Articles of Association;
- (c) the Board of Statutory Auditors, called upon to monitor compliance with the law and the Articles of Association and compliance with the principles of correct management and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the Company and its effective operation.

The statutory auditing of the accounts is entrusted, in accordance with the applicable legal provisions, to an independent firm of auditors listed in the special register kept by Consob.

A Supervisory Body has also been appointed pursuant to Decree 231, which monitors the proper functioning of the Company's 231 Model and is responsible for updating it.

The Board of Directors has set up an internal Remuneration Committee, consisting of three independent directors. While, for the reasons indicated in paragraphs 7 and 10 of this Report, the Board of Directors did not consider it necessary to set up an Appointments Committee or a Control and Risk Committee within the Board itself.

Furthermore, on 13 January 2021, the Board of Directors approved a procedure regarding the Company's related-party transactions, that has been in force since the first day of trading on the Euronext Milan market (the "Related-Party Transaction Procedure").

As at the Date of the Report, the Company falls within the definition of SMEs pursuant to Article 1, paragraph 1, letter w-quater.1) of the Consolidated Law on Finance and Art. 2-ter of the Consob Issuers' Regulation, since the simple average of the daily capitalisations calculated with reference to the official price, recorded during the financial year, is below the threshold of Euro 500 million.

2. INFORMATION ON THE OWNERSHIP STRUCTURES (pursuant to Art. 123-bis, paragraph 1, of the Consolidated Law on Finance)

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.

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

The entire share capital of Abitare In 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 Extraordinary Shareholders' Meeting resolved:

- (a) on 20 December 2016 to increase the share capital against payment and in tranches, by the deadline of 20 December 2021, for a maximum nominal amount of Euro 5,000,000, inclusive of the share premium;
- (b) on 17 July 2017 to increase the share capital against payment and in tranches, by the deadline of 17 July 2022, for a maximum nominal amount of Euro 16,000,000, inclusive of the share premium;
- (c) on 30 May 2018 to increase the share capital against payment and in tranches, by the deadline of 30 May 2023, for a maximum nominal amount of Euro 30,000,000, inclusive of the share premium;

The share capital increases referred to in letters (a), (b) and (c) above (the "Share Capital Increases") all provide for issues of ordinary shares, without indication of their nominal value, having the same characteristics as those already outstanding with regular dividend rights, excluding option rights pursuant to Article 2441, paragraph 5 of the Civil Code, to be placed with Qualified Investors, on an exemption basis as referred to in Article 34-ter, paragraph 1, letter b) of the Consob Issuers' Regulation (with the express exclusion of any form of public offer referred to in Articles 94 *et seq.* of the Consolidated Law on Finance and making use of the exemption provided for in Article 34-ter of the Consob Issuers' Regulation). At the Date of the Report, the aforementioned Capital Increases were performed and subscribed in multiple tranches for a total of Euro 33,897,926.

In light of the above, the current share capital of Abitare In, fully subscribed and paid-up, amounts to Euro 132,654.06 and is divided into 26,530,812 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.

2.2 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.

2.3 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.

2.4 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.

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

The Company has not adopted any employee share ownership scheme.

2.6 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.

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

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

2.8 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

[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.

- a landed property loan agreement signed by Milan City Village with BPM S.p.A. for a maximum amount of Euro 50,000,000;
- a landed property loan agreement signed by Trilogy Towers with BPER Banca S.p.A. for a total amount of Euro 19,700,000;
- unsecured loan signed by Abitare In Development 4 with Banca di Credito Cooperativo di Milano - Società Cooperativa for a total amount of Euro 4,700,000;
- a mortgage loan agreement signed by Savona 105 S.r.l. with BPM S.p.A. for a total amount of Euro 37,500,000;
- a mortgage agreement signed by Abitare In, Porta Naviglio Grande S.r.l. and Banca Nazionale del Lavoro S.p.A. under which the bank granted a medium/long-term loan to Porta Naviglio Grande for a total amount of EUR 11,802,000;
- a mortgage loan agreement signed by Lambrate Twin Palace with Banco di Credito Cooperativo di Milano – Società Cooperativa for a total amount of Euro 18,100,000.00 (eighteen million one hundred thousand/00
- a mortgage loan agreement signed by Abitare In Development 5 with BPM S.p.A for a total amount of Euro 8,300,000.00 (eight million three hundred thousand/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.

2.9 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)

2.9.1. Share capital increases

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.

2.9.2. Own shares

As at the Date of the Report, the Company's Shareholders' Meeting has not authorised any programmes for purchasing its own shares and the Company did not hold any of its own shares in its portfolio.

2.10 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.

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

Abitare In 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.

At the Date of the Report, no “*subsidiaries of strategic importance*” had been identified.

4. BOARD OF DIRECTORS

4.1 Appointment and replacement (pursuant to Art. 123-bis, paragraph 1, letter l) of the Consolidated 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 law and the compliance with the provisions on gender equality, established above.

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 the Civil 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.

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

4.2.1. Members of the Board of Directors

The Issuer's Board of Directors in office has six members, and was appointed by the Ordinary Shareholders' Meeting on 23 December 2020 with the mechanism of voting by lists.

Since a single list was submitted by Luigi Francesco Gozzini 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.

The current Board of Directors shall remain in office until approval of the financial statements as at 30 September 2023. 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, Abitare In.

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 Abitare In 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 Abitare In 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.

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

4.2.2. Diversity Policies

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.

This decision takes into account 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. The Board of Directors has therefore not deemed it necessary to adopt diversity policies and/or practices in relation to the composition of the administration, management and control bodies in relation to aspects such as age, gender composition and training and professional skills.

4.2.3 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.

4.2.4 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.

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

Pursuant to Article 19 of the Articles of Association, the Board of Directors meets, even away from the registered office, provided that it is in Italy, whenever the Chairman deems it appropriate, and also when so requested by at least two of its members. In case of absence or impediment of the Chairman, the Board of Directors' meetings are called by the Deputy Chairman, if appointed, or, in the absence of the latter, by the senior Chief Executive Officer. Pursuant to Article 151 of the Consolidated Law on Finance, the Board of Statutory Auditors or also each standing auditor individually is entitled to call Board of Directors' meetings. The Board of Directors is called by means of a notice sent by post, telegram, telefax or email at least 3 days before the meeting, or, in urgent cases, at least 24 hours before the meeting. In any event, board meetings called in other ways are valid, provided that all directors and standing auditors in office take part.

Pursuant to Article 19 of the Articles of Association, the Board of Directors passes resolutions validly, in a collegiate form, with the actual presence of the majority of its members in office and with the absolute majority of the votes of those present. If the number of directors in office is an equal number, the vote of the Chairman shall be considered a casting vote in the event of a tie. The casting vote of the Chairman does not work when voting on matters which cannot be delegated by the Board of Directors, on transactions with related parties, as well as on matters envisaged under Article 18.4 of the Articles of Association (as indicated below). The resolutions of the Board of Directors are recorded in minutes signed by the Chairman and the secretary; these minutes, even if drafted as a public deed, must be recorded without delay in the register of directors' decisions.

The Board meeting will be chaired by the Chairman, or, in the case of his/her absence or impediment, by the Deputy Chairman (if appointed) or, in case of his/her absence or impediment, by the Chief Executive Officer, or, in case of his/her absence or impediment, by the Director appointed by the majority of Directors attending.

On 13 January 2021, as from the date of initial trading of the Company's shares on the Euronext Milan market, the Board of Directors, also bearing in mind Recommendation no. 11 of the Corporate Governance Code, adopted its own regulations in order to define the operating rules of this body in line with the principles in the articles of association and the regulatory principles, as well as with the principles and rules established by the same Corporate Governance Code, including the procedures for minute-taking in the meetings.

The Chairman ensures the timeliness and completeness of pre-meeting information through the distribution to directors of the documentation relating to the items on the agenda, in the days immediately prior to the date scheduled for the Board of Directors' meeting.

During the year, the Board of Directors held 20 meetings. The percentage attendance at these meetings by the members of the Board of Directors was as follows: Luigi Francesco Gozzini = 100%; Marco Claudio Grillo = 95%; Eleonora Reni = 100% (since her first appointment on 23 December 2020); Mario Benito Mazzoleni = 95%; Giuseppe Vegas = 95%; Nicla Picchi = 100% (since her first appointment on 23 December 2020). The Board meetings lasted an average of 1 hour.

Meetings of the Board of Directors can be attended, where necessary or at the request of the Chairman or by one or more directors, by persons who are not part of the Board, in particular key managers, heads of corporate functions, or external consultants whose task is to provide appropriate information on the items on the agenda.

For the current year 12 meetings of the Board of Directors have currently been planned. As at the Date of the Report, 5 have been held, including the meeting held on 3 December 2021 for the approval of the Report.

The Board of Directors is vested with all the powers of ordinary and extraordinary administration of the Company, except as expressly provided for by the 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 Board of 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:

- (a) 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;
- (b) 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;
- (c) 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;
- (d) the definition of the Company's corporate governance system and the Group structure and the assessment of the adequacy of the organisational, 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;
- (e) 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;
- (f) 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;
- (g) the regular assessment of the effectiveness of its activities and the contribution of its individual components, through formalised procedures whose implementation it supervises over.

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:

- established a Remuneration Committee consisting of Board members (see paragraph 8 of this Report). While, for the reasons indicated in paragraphs 7 and 10 of this Report, the Board of Directors did not consider it necessary to set up an Appointments Committee or a Control and Risk Committee within the Board itself;
- approved a Related-Party Transaction Procedure (see paragraph 12);
- established the corporate functions responsible for internal control and investor relations and consequently has appointed the persons i/c of these functions (see paragraphs 11 and 15 of this Report);
- adopted procedures in accordance with the EU provisions on market abuse ("MAR"):
 - procedure for the public disclosure of inside information (see paragraphs 11 and 15 of this Report);
 - procedure for registering persons having access to inside information (see paragraph 5 of this Report);
 - Internal Dealing procedure (see paragraph 5 of this Report);
- established a 231 Model pursuant to Decree 231 (see paragraph 11.3 of this Report); and
- set up a Supervisory Body (see paragraph 11.3 of this Report).

Pursuant to Article 22 of the Articles of Association, the Chairman of the Board of Directors, the managing directors or the Chairman of any executive committee (if appointed) and within the limits of the management powers assigned to them, are vested with the legal representation of the Company. The Company is also represented by the General

Manager, senior managers, general proxies and attorneys, within the limits of the powers granted to them in their deeds of appointment.

In general and on a precautionary basis, the Shareholders' Meeting has not authorised any exceptions to the competition clauses laid down in Article 2390 of the Civil Code.

4.4 Delegated bodies

4.4.1 Chairman and Chief Executive Officer

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 the Civil 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.

4.4.2 Executive Committee

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

4.4.3 Information report for the Board

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.

4.5 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.

4.6 Independent Directors

The Board of Directors has three independent directors within its composition of six. The independent directors, Mario Benito Mazzoleni, Giuseppe Vegas and Nicla Picchi were appointed by the Company's Shareholders' Meeting on 23 December 2020.

The independence of the aforementioned directors, in accordance with the combined provisions of Articles 147-ter, paragraph 4, and 148, paragraph 3, of the Consolidated Law on Finance, as well as Article 2 of the Corporate Governance Code, also taking into account the declarations made by those involved in submitting the lists, was verified by the Issuer's Board of Directors on 13 January 2021.

The Directors' independence requirements will in any case be subject to assessment by the Board during the course of the mandate whenever circumstances deemed significant for the purposes of independence occur and, in any case, at least annually.

4.7 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, with the task of representing 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.

5. TREATMENT OF CORPORATE INFORMATION

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. COMMITTEES WITHIN THE BOARD (pursuant to Art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

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. While, for the reasons indicated in paragraphs 7 and 10 of this Report, the Board of Directors did not consider it necessary to set up an Appointments Committee or a Control and Risk Committee within the Board itself.

It should also be noted that, in accordance with the provisions of 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 12 of this Report).

7. 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 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.

8.1 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 year, the Remuneration Committee met once. The percentage attendance at these meetings by the members of the Remuneration Committee was as follows: Mario Benito Mazzoleni = 100%; Giuseppe Vegas 100%; Nicla Picchi (100%). The meetings of the Remuneration Committee lasted an average of approximately 1 hour.

8.2 Duties 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. REMUNERATION OF DIRECTORS

Information on the remuneration of Directors and key managers, including the information required by Art. 123-bis, paragraph 1, letter i), is contained in the report on the remuneration policy and remuneration paid, which one should refer to, prepared in accordance with Art. 123-ter of the Consolidated Law on Finance and Art. 84-quater of the Consob Issuers' Regulation, 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, in the "Corporate Governance" section, and according to the other methods provided for by applicable regulations.

10. CONTROL AND RISK COMMITTEE

The Board of Directors does not deem it necessary to establish an internal Control and Risk Committee, as recommended by Art. 3, Recommendation 16, of the Corporate Governance Code, expressly reserving the tasks (normally) assigned to the Control and Risk Committee by the Corporate Governance Code, to the Board of Directors in its plenum. This is mainly in view of the fact that the independent directors represent half of the management body.

11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The internal control and risk management system consists of the set of rules, procedures and organisational structures aimed at the concrete and effective identification, measurement, management and monitoring of the main risks, in order to contribute to the Company's sustainable success.

The Board of Directors defines the guidelines for the internal control and risk management system in line with the Company's strategies and assesses its adequacy and effectiveness on an annual basis.

The Board defines the principles concerning coordination and the information flows between the various parties involved in the internal control and risk management system in order to maximise the efficiency of the system itself, reduce any duplication of activities and ensure the effective fulfilment of the control body's tasks.

Within the scope of the guidelines defined by the Board of Directors, the heads of each department are responsible for designing, managing and monitoring the effective operation of the internal control and risk management system.

The structural elements of the internal control environment are: (i) the system of proxies and powers of attorney, in line with the responsibilities assigned; (ii) the company operating procedures; (iii) the IT systems that support both management and production activities and accounting and financial processes. On the compliance front, the Issuer has adopted a 231 Model pursuant to Decree 231.

The control tools described above are monitored by the Company's management and, independently, by the internal audit function.

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.

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 head of the Internal Audit function, and the Manager responsible for preparing the Company's financial reports.

On 5 July 2021, the Board of Directors approved the work plan prepared by the Head of the Internal Audit function, after consultation with the control body and the Chief Executive Officer.

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).

11.1 Director responsible for the Internal Control and Risk Management System

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:

- (a) 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;
- (b) 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;
- (c) 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 and risk committee (where established) and the Chairman of the Board of Statutory Auditors;

- (d) promptly reporting to the control and risk 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.

11.2 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 and Risk 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.

11.3 Organisational model pursuant to Decree 231

The Company has adopted and effectively implemented an organisational, management and control model that represents the organisational and management tool designed to prevent the Company's employees and collaborators from committing the offences specified in Decree 231 (the "231 Model").

The duties of supervising the functioning, observance, effectiveness and updating of the 231 Model were assigned by the Company to a supervisory body consisting of three members (the "Supervisory Body").

On 27 January 2020, the Board of Directors confirmed Angelo Marano (Chairman), Giuseppe Leporace and Federico Schneble as members of the Supervisory Body for three years and thus until the Shareholders' Meeting called to approve the financial statements for 2022. The Supervisory Body has autonomous powers of initiative and control, as provided for by Legislative Decree 231/2001.

During the year, the Supervisory Body held four meetings.

The 231 Model is constantly updated and monitored, with particular attention to the prevention of crimes and risk assessment, following changes in the regulatory framework.

In particular, with the entry into force of Italian Decree Law 124 of 26 October 2019, which introduced additional types of tax offences in the category of the predicate offence, on 11 September 2020 the Company updated the 231 Model.

The Company extended the 231 Model to its subsidiaries.

The 231 Model consists of a general part and a specific part, organised in various sections.

The general part includes, among other things, the code of ethics, the disciplinary system and a specific section on the Supervisory Body. The specific part includes, among other things, a "mapping" of the areas at risk of offences and the principles of control and conduct through which safeguards will be implemented to prevent offences being committed in the areas identified in the mapping.

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

11.4 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.

11.5 The Manager in charge of preparing the accounting and corporate documents

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.

11.6 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 4.3 of this Report), which also governs the coordination procedures between the various parties involved in the control system.

12. 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.

12.1 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.

13. 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:

- (a) 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;
- (b) 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;
 - (c) 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.

14. COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS (pursuant to Art. 123-bis, paragraph 2, letter d) of the Consolidated Law on Finance)

The Board of Statutory Auditors of the Issuer, 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 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.

During the year, the Board of Statutory Auditors held 6 meetings. The meetings of the Board of Statutory Auditors lasted an average of 1.33 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 Giangreco - 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.

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 (see paragraph 4.2.2 of this Report).

The Board of Statutory Auditors performs the duties, activities and has the powers provided for by law. The Board of Statutory Auditors must meet at least once every ninety days. The Board of Statutory Auditors meets at the initiative of any of the Statutory Auditors. It is validly constituted with the attendance of the majority of statutory auditors and passes resolutions with the favourable vote of the absolute majority of those present.

The Board of Statutory Auditors has obtained from the Directors, with due frequency, information on general business performance and outlook, as well as on the activities carried out and on the most significant economic, financial and capital transactions carried out during the year, including through its subsidiaries, verifying that they were compliant with the law and the memorandum 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 likely to compromise the integrity of the company's assets.

During the meetings of the Board of Directors, which the Board of Statutory Auditors takes part in, adequate educational information is provided on the development of the company business and the regulatory context by both the Chairman and the CEO, in accordance with Art. 3, Recommendation 12, letter d) of the Corporate Governance Code (see paragraph 4.2.4 of this Report with regard to the induction programme).

The Issuer specifies that a Statutory Auditor that, on his/her own behalf or on behalf of third parties, has an interest in a specific transaction of the Company, must promptly and fully inform the other members of the same body and the Chairman of the management body about the nature, terms, origin and extent of his/her interest.

In carrying out its activities, the Board of Statutory Auditors is also coordinated with the Head of the Internal Audit function and the appointed independent auditing firm.

The remuneration of the statutory auditors is proportionate to the commitment required, the importance of the role held, as well as the size and sector of the Company.

15. SHAREHOLDER RELATIONS

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.

16. SHAREHOLDERS' MEETINGS (pursuant to Art. 123-*bis*, 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:

- 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;
 - the minute-taker is in a position to adequately follow the events of the meeting to be recorded in the minutes;
 - 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;
 - 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, the Shareholders' Meeting was held on 30 November 2020, 23 December 2020 and 31 May 2021, with the intervention of all the Company Directors (Picchi and Reni from the time of their first appointment) and 2 Statutory Auditors at the Shareholders' Meeting on 30 November 2020 and 3 Statutory Auditors at the Shareholders' Meetings on 23 December 2020 and 31 May 2021.

17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES

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

18. CHANGES FROM THE END OF THE REPORTING PERIOD

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

TABLE 1: information on ownership structures

Share Capital Structure				
	Number of Shares	% of share capital	Listed (indicate the markets) / unlisted	Rights and Obligations
Ordinary shares	26,530,812	100%	Euronext Milan - Euronext STAR Milan segment - managed by Borsa Italiana S.p.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			
Declarant	Direct shareholder	% of ordinary share capital	% of voting capital
Luigi Francesco Gozzini	-	22.69%	22.69%
Marco Claudio Grillo	-	17.79%	17.70%
Gaudenzio Roveda	-	10.26%	-

TABLE 2: Structure of the Board of Directors and committees

Board of Directors													Remuneration Committee	
Office	Members	Year of birth	Date of first appointment *	Holding office since	Holding office until	List **	Executive	Non-executive	Indep. under the Code	Indep. under the Cons. Law on Fin.	No. of other offices held ***	(*)	(*)	(**)
Chairman and CEO	Luigi Francesco Gozzini	1967	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X				15	20/20		
CEO ♦ •	Marco Claudio Grillo	1968	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X				12	19/20		
Dir.	Eleonora Reni	1988	23.12.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M		X			0	14/14		
Dir. o	Mario Benito Mazzoleni	1957	17.12.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M		X	X	X	7	19/20	1/1	M
Dir.	Giuseppe Vegas	1973	29.01.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M		X	X	X	4	20/20	1/1	M
Dir.	Nicla Picchi	1960	23.12.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M		X	X	X	6	14/14	1/1	C
Number of meetings held during the financial year			Board of Directors: 20				Remuneration Committee: 1							

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 main person in charge of the issuer’s management (Chief Executive Officer or CEO).

o 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 the number of offices as director or statutory auditor held by the person concerned in other companies listed on regulated markets, including foreign markets, in financial, banking, insurance or large companies. The offices are indicated in extended format in the Report on Corporate Governance.

(*). This column indicates the attendance of directors at meetings of the BoD and its committees (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 position of the director within the Committee: “C”: Chairman; “M”: Member.

TABLE 3: 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	6/6	25
Standing statutory auditor	Marco Dorizzi	1961	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	6/6	15
Standing statutory auditor	Matteo Ceravolo	1974	19.11.2015	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	6/6	9
Substitute statutory auditor	Fanny Butera	1962	23.12.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	0/6	8
Substitute statutory auditor	Mariateresa Giangreco	1974	23.12.2020	23.12.2020	Approval of the Financial Statements at 30.09.2023	M	X	0/6	3
Number of meetings held during the financial year: 1									
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%									

NOTES

* 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

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

Name and surname	Company	Office
Luigi Francesco Gozzini	Richard S.r.l.	CEO
	Immobiliare T5 S.r.l.	Chairman of the Board of Directors
	TH S.r.l.	Sole Director
	Milano Progetti	Sole Director
	Abitare Development 3 S.r.l.	Sole Director
	MyCity	Sole Director
	Palazzo Naviglio	Sole Director
	Milano Living S.r.l.	Sole Director
	Abitare Development 4 S.r.l.	Sole Director
	Abitare Development 6 S.r.l.	Sole Director
	Abitare Development 8 S.r.l.	Sole Director
	Smartcity S.r.l.	Sole Director
	Housenow S.r.l.	Sole Director
	Alibranda S.r.l.	Sole Director
	Deametra S.r.l.	Sole Director
Marco Claudio Grillo	Tecma Solutions S.p.A.	Director
	Abitare In Maggiolina S.r.l.	Sole Director
	Milano City Village S.r.l.	Sole Director
	Trilogy Towers	Sole Director
	Homizy S.p.A.	Chairman of the Board of Directors
	Mivivi S.r.l.	Sole Director
	Abitare In Development 5 S.r.l.	Sole Director
	AID 7	Sole Director
	Mica S.r.l.	Sole Director
	Hommi S.r.l.	Sole Director
	Volaplana S.r.l.	Sole Director
	City Zeden S.r.l.	Sole Director

Mario Benito Mazzoleni	Matchplat S.r.l.	Director
	Zadei Clinic S.r.l.	Chairman of the Board of Directors
	Gruppo fonderia di Torbole	Director
	Rejoint S.r.l.	Director
	SOCIALIS - Centro studi in imprese cooperative, sociali ed enti non profit - impresa sociale	Director
	Peter Pan no profit S.r.l.	Chairman of the Board of Directors/Shareholder
	Cinzia Saleri Sapa Ospitaletto	Director
Giuseppe Vegas	Arisk S.r.l.	Chairman of the Board of Directors/Shareholder
	Officine CST S.p.A.	Deputy Chairman of the Board of Directors
	Finanzia Popolare S.S.	Managing Partner
Nicla Picchi	Lexolution S.r.l.	Shareholder and director
	Picchi Angelini & Associati Studio Legale	Shareholder and director
	Immobiliare Elle S.r.l.	Shareholder
	UnipolSai S.p.A.	Director
	Sabaf S.p.A.	Director
	Copan S.p.A.	Director

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 of the Board of Directors/Shareholder
	Fondazione Caritas Ambrosiana	Director
	Pascarosa Società Semplice	Managing Partner
	NPL RE VALUE SRL	Director
	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
	AEVV Impianti S.r.l.	Standing Auditor
	Candy Hoover Group S.r.l.	Standing Auditor
	Gias S.r.l.	Standing Auditor
	Haier Europe Appliances Solutions S.p.A.	Standing Auditor
	I.P.A. Industria Porcellane S.p.A.	Standing Auditor
	Mplus Cosmetics S.r.l.	Standing Auditor
	Zerowatt Hoover S.p.A.	Standing Auditor
	Talent Garden S.p.A.	Standing Auditor
	Talent Garden Med S.r.l.	Standing Auditor
	Bunz Raccolta S.p.A.	Substitute Auditor
	COMM3000 S.p.A.	Substitute Auditor
	Immobiliare Falco S.p.A.	Substitute Auditor
	Servovalve 1967 S.p.A.	Substitute Auditor

Marco Dorizzi	Taf Abrasivi S.p.A.	Substitute Auditor
	Candy Hoover Group S.r.l.	Standing Auditor
	Homizy S.p.A.	Standing Auditor
	Zerowatt Hoover 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
	GIAS S.r.l.	Chairman of the Board of Statutory Auditors
	Torno S.p.A. in liquidazione	Standing Auditor
	Ulisse Due S.r.l. in liquidazione	Standing Auditor
	Ellisse S.r.l.	Auditor
	Altea S.p.A.	Substitute Auditor
	Compagnia dei Beni Stabili S.r.l.	Substitute Auditor/Shareholder
Matteo Ceravolo	Haier Europe Appliance Solutions S.p.A.	Standing Auditor
	Pigreco Corporate Finance S.r.l.	Director/Shareholder
	Foodness S.p.A.	Director
	Red Tractor S.r.l	Director
	Blue Financial Cominication 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
	TCH S.r.l.	Standing Auditor
	Beauty S.r.l.	Liquidator
	Cogeme Set in liquidazione	Standing Auditor
	First Sicav S.p.A.	Standing Auditor
	Antress S.p.A.	Standing Auditor
	Homizy S.p.A.	Standing Auditor

ABITARE IN GROUP

Consolidated

FINANCIAL REPORT

AS AT 30 SEPTEMBER 2021

Consolidated Statement of Financial Position

	Note	30.09.2021	Related parties	30.09.2020	Related parties
Property, plant and equipment	1	8.980.197		6.460.386	
Intangible assets	2	1.673.955		1.264.744	
Equity investments in other companies	3	4.370.694		2.296.000	
Deferred tax assets	4	1.172.151		883.153	
TOTAL NON-CURRENT ASSETS		16.196.997		10.904.283	
Inventory	5	209.663.389		139.058.289	
Trade receivables	6	293.443		585.837	
Other current assets	7	12.105.347		14.386.768	
Current tax assets	8	5.944.427		1.702.618	
Cash and cash equivalents	9	13.778.285		35.480.995	
TOTAL CURRENT ASSETS		241.784.891		191.214.507	
TOTAL ASSETS		257.981.888		202.118.790	
Share capital		129.677		129.677	
Reserves		39.494.362		37.163.534	
Profit (loss) carried forward		20.552.052		11.354.847	
Profit (loss) for the year		12.191.758		9.197.205	
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		72.367.849		57.845.263	
Profit and reserves attributable to non-controlling interests		468.661		498.217	
EQUITY	10	72.836.510		58.343.480	
Non-current financial liabilities	11	72.167.050		39.224.134	
Employee benefits	12	325.142		246.904	
Other non-current liabilities	13	284.793	252.759	481.445	201.445
Customer down payments and deposits	14	65.452.039		45.256.329	
Deferred tax liabilities	4	6.466.158		4.058.460	
TOTAL NON-CURRENT LIABILITIES		144.695.182		89.267.272	
Current financial liabilities	11	16.710.663		22.405.876	
Trade payables	15	11.704.006	52.032	12.499.970	25.360
Other current liabilities	16	8.805.177	671.021	5.621.730	570.607
Customer down payments and deposits	14	2.414.355		12.131.074	
Current tax liabilities	17	815.995		1.849.389	
TOTAL CURRENT LIABILITIES		40.450.196		54.508.039	
TOTAL LIABILITIES		185.145.378		143.775.310	
TOTAL LIABILITIES AND EQUITY		257.981.888		202.118.790	

Consolidated Income Statement

	Note	30.09.2021	Related parties	30.09.2020	Related parties
Revenue from sales	18.1	50.436.019		41.368.522	
Change in inventory for new sites purchased	18.2	49.698.315		20.600.000	
Change in inventory for progress of works	18.3	20.653.707		8.527.320	
Other revenue	18.4	4.029.629		2.580.491	
TOTAL REVENUE	18	124.817.670		73.076.333	
Property purchased for redevelopment for sale		49.698.315		20.600.000	
Property purchased for redevelopment for rental		2.250.000		-	
Raw materials, consumables, supplies and goods		84.066		151.142	
Services	19.1	50.284.678	3.209.812	38.375.241	680.201
Rentals and similar		210.695		119.023	
Production costs		50.579.439		38.645.406	
Personnel expenses	19.2	2.108.140	200.000	3.589.598	200.000
Depreciation/Amortisation	19.3	959.476		709.682	
Impairment losses and provisions	19.4	476.547	52.547	44.066	44.066
Other operating expenses	19.5	1.882.119		1.392.872	
TOTAL OPERATING EXPENSES	19	107.954.036		64.981.624	
EBIT		16.863.634		8.094.709	
Financial income	20	2.175.876		5.192.375	
Financial expenses	20	(2.336.621)		(2.076.406)	
EBT		16.702.889		11.210.678	
Income taxes	21	(4.540.687)		(2.028.550)	
PROFIT (LOSS) FOR THE YEAR		12.162.202		9.182.128	
Of which:					
Net profit (loss) attributable to non-controlling interests		(29.556)		(15.077)	
Net profit (loss) attributable to the owners of the Parent		12.191.758		9.197.205	
Earnings per share	22	0,47		0,35	
Diluted earnings per share	22	0,47		0,35	

Consolidated Comprehensive Income Statement			
	Nota	30.09.2021	30.09.2020
Profit (loss) for the year		12.162.202	9.182.128
Other comprehensive income			
That will not be subsequently reclassified in profit or loss for the year			
Employee benefits		(29.135)	(49.357)
Tax effect		6.993	11.845
Total		(22.142)	(37.512)
That will be subsequently reclassified in profit or loss for the year			
AFS financial assets		(32.034)	
Tax effect		7.689	
Total		(24.345)	-
Total change in OCI reserve		(48.690)	-
Comprehensive income for the period		12.091.370	9.144.616

Earnings per share	22	0,47	0,35
Diluted earnings per share	22	0,47	0,35

Statement of Changes in Equity											
	Share capital	Share premium reserve	Legal reserve	Stock grant reserve	FTA reserve	OCI reserve	Profit carried forward from previous years	Profit for the year	Total	Equity attributable to non-controlling interests	Total
Equity at 1 October 2019	127.728	35.375.765	25.547	291.122	282.731	(7.708)	4.994.026	6.374.925	47.464.136		47.464.136
Profit (loss) for the year								9.197.205	9.197.205	(15.077)	9.182.128
Actuarial valuation of TFR						(37.512)			(37.512)		(37.512)
Stock grant plan	1.949	1.510.607		(291.122)					1.221.434		1.221.434
Change in scope of consolidation									-	513.294	513.294
rounding									-		-
Allocation of the profit for the year			14.104				6.360.821	(6.374.925)	-		-
Equity at 30 September 2020	129.677	36.886.372	39.651	-	282.731	(45.220)	11.354.847	9.197.205	57.845.263	498.217	58.343.480

	Share capital	Share premium reserve	Legal reserve	Stock grant re-serve	FTA reserve	OCI reserve	Profit carried forward from previous years	Profit for the year	Total	Equity attributable to non-controlling interests	Total
Equity at 1 October 2020	129.677	36.886.372	39.651	-	282.731	(45.220)	11.354.847	9.197.205	57.845.263	498.217	58.343.480
Profit (loss) for the year								12.191.758	12.191.758	(29.556)	12.162.202
Actuarial valuation of TFR						(22.142)			(22.142)		(22.142)
Hedging derivatives valuation						(24.345)			(24.345)		(24.345)
Stock grant plan				2.379.457					2.379.457		2.379.457
Change in scope of consolidation					(2.142)				(2.142)		(2.142)
Allocation of the profit for the year							9.197.205	(9.197.205)	-		-
Equity as at 30 September 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

Consolidated Statement of Cash Flows (indirect method)

	30.09.2021	30.09.2020
Operating activities		
Profit (loss) for the year	12.162.202	9.182.128
Income taxes	4.540.687	1.597.592
Financial income	(2.175.876)	(5.192.375)
Financial expenses	2.336.590	2.078.290
(Gains)/losses on the sale of companies	-	-
Net accruals to provisions	157.292	426.341
Accrual to stock grant reserve	2.379.457	1.221.434
Impairment and depreciation/amortisation of property, plant and equipment and intangible assets	959.476	709.681
Cash flows before changes in net working capital	20.359.828	10.023.091
Decrease/(increase) in inventory	(70.605.100)	(29.124.422)
Increase/(decrease) in trade payables	(795.964)	5.684.694
Decrease/(increase) in trade receivables	(440.289)	(499.322)
Change in other current/non-current assets and liabilities	10.642.557	18.899.360
Net financial income/expenses collected/paid	(2.686.157)	(1.750.169)
Taxes paid	(1.648.517)	(250.724)
Use of provisions	(339.386)	(10.394)
Cash flows from (used in) operating activities (A)	(45.513.028)	2.972.114
Investing activities		
Investments in property, plant and equipment	(181.530)	(363.525)
Disposal of property, plant and equipment	-	-
Real estate investments	(2.681.154)	-
Investments in intangible assets	(1.027.960)	(686.906)
Disposal of intangible assets	-	-
Other equity investments	(2.974)	-
Sale of company, net of cash and cash equivalents	-	-
Cash flows from (used in) investing activities (B)	(3.893.618)	(1.050.431)
Financing activities		
Bank loans raised	48.258.787	27.971.111
Bank loan repayments	(20.855.936)	(20.683.510)
Change in current/non-current financial liabilities	301.085	55.973
Net change in current financial assets	-	156.760
Share capital increase against consideration	-	4.368.223
Cash flows from (used in) financing activities I	27.703.936	11.868.557
Net cash flows in the period (A)+(B)+(C)	(21.702.710)	13.790.240
Cash and cash equivalents at the beginning of the year	35.480.995	21.690.755
Increase/(decrease) in cash and cash equivalents from 1 October to 30 September	(21.702.710)	13.790.240
Cash and cash equivalents at the end of the year	13.778.285	35.480.995

NOTES TO THE CONSOLIDATED FINANCIAL REPORT

Accounting standards and measurement criteria

Basis of presentation

The consolidated financial statements for the year ended 30 September 2021 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"). The consolidated 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 consolidated financial statements of the Abitare In Group for the year ended 30 September 2021 are authorised with resolution of the Board of Directors of 3 December 2021.

Financial Statements

The consolidated financial statements of the Abitare In Group at 30 September 2021 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 associated with cash flows from investing or financing activities.

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.

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.

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):

Company	Location	Share Capital	% of ownership
Abitare In Development 3 S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Abitare In Development 4 S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Abitare In Development 5 S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Abitare In Development 6 S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Abitare In Development 7 S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Abitare In Maggiolina S.r.l.	Milano, via degli Olivetani 10/12	100.000	100%
Homizy S.p.A.	Milano, via degli Olivetani 10/12	97.250	88,44%
Hommi S.r.l.	Milano, via degli Olivetani 10/12	10.000	88,44%*
Housenow S.r.l.	Milano, via degli Olivetani 10/12	10.000	88,44%*
Lambrate Twin Palace S.r.l. (ex Milano Living S.r.l.)	Milano, via degli Olivetani 10/12	10.000	100%
Milano City Village S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Milano Progetti S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Mivivi S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
MyCity S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Palazzo Naviglio S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Porta Naviglio Grande S.r.l. (ex Mica S.r.l.)	Milano, via degli Olivetani 10/12	10.000	100%
Savona 105 S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Smartcity S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
TheUnits S.r.l. (ex Alibranda S.r.l.)	Milano, via degli Olivetani 10/12	10.000	100%
Trilogy Towers S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%

*: 88,44% owned by Abitare In S.p.A. through Homizy S.p.A.

Compared to the previous year, the following companies have entered the consolidation period:

Company	Location	Share Capital	% of ownership
Accursio S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
City Zeden S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Creare S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Deametra S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Immaginare S.r.l.	Milano, via degli Olivetani 10/12	10.000	100%
Richard S.r.l.	Milano, via degli Olivetani 10/12	1.000.000	100%**

** : 100% owned by Abitare In S.p.A. through Abitare In Development 4 S.r.l.

The subsidiaries prepare separate interim financial statements in accordance with the provisions applicable in Italy and in compliance with the Italian Accounting Standards. The Italian accounting standards adopted have therefore been aligned with the IFRS to make the financial statements of subsidiaries consistent with the accounting standards adopted by the Group.

MEASUREMENT CRITERIA

Revenue and inventory recognition

Revenue is recognised to the extent at which the economic benefits are achieved by the Company and the related amount can be reliably determined, regardless of the collection date. Revenue is measured at the fair value of the consideration which the entity has the right to receive in exchange for the transfer of goods or services to the customer, taking into account the agreed contractual terms and the commitments undertaken.

Pursuant to the provisions of IFRS 15(35), an entity transfers control of the good or service over time, if at least one of the following conditions is met:

- the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs;
- 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;
- 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:

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

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 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, 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.

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).

Share-based payment

The Abitare In 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.
- assets at fair value through other comprehensive income (FVOCI);
- 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)

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 achieved both by collecting 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 the principal and interest on the principal to be repaid. In addition, the equity instruments (equity investments in which the Group

does not exercise control or significant influence) for which the Group applies the option granted by the principle of measuring these instruments at fair value through other comprehensive profitability (see paragraph 4 above in this regard) are also classified in this category. These assets are initially recognised at fair value. At their subsequent measurement, the valuation at the time of measurement is updated and any changes in fair value are recognised in Other comprehensive income. Any impairment losses, interest income and gains or losses on exchange rate differences are recognised in Profits or loss for the year.

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

This category includes all financial assets that do not meet the conditions, in terms of business model or cash flow characteristics, for measurement at amortised cost or at fair value through Other comprehensive income. They mainly consist of derivatives; this category also includes listed and unlisted equity instruments, which the Group has not irrevocably decided to classify as FVOCI at initial recognition or at the time of transition. Assets belonging to this category are classified as current or non-current assets according to their maturity and recognised at fair value upon initial recognition. At the time of subsequent measurement, gains and losses deriving from changes in fair value are accounted for in the consolidated income statement in the period when they are recognised.

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.

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

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:

- Assessment of the progress of works and recognition of revenue: the method used is that of final cost based on the estimated cost to complete; this measurement is based on assumptions and estimates of the costs to complete and the related margins.
- 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 2020

On 29 March 2018, IASB published an amendment to “References to the Conceptual Framework in IFRS Standards”. The amendment was approved on 29 November 2019 and is effective for periods starting on or after 1 January 2020. However, earlier application is permitted.

The Conceptual Framework defines the key concepts for financial reporting and guides the Board in developing IFRS standards. The document helps ensure that the Standards are conceptually consistent and that similar transactions are treated in the same way, so as to provide useful information to investors, lenders and other creditors.

The Conceptual Framework supports companies in developing accounting standards when no IFRS standard is applicable to a particular transaction and, more generally, helps stakeholders understand and interpret the Standards.

The adoption of this amendment had no effect on the consolidated financial statements at 30 September 2021.

On 31 October 2018, IASB published the document “Definition of Material (Amendments to IAS 1 and IAS 8)”. The document introduced a change in the definition of “material” in IAS 1 - Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The purpose of this amendment is to clarify the definition of “material” and to introduce the concept of “obscured information” alongside the concepts of omitted or incorrect information already present in the two principles being amended. This amendment clarifies that information is “obscured” if it has been described in such a way as to produce for primary readers of financial statements an effect similar to that which would have occurred if such information had been omitted or incorrect.

The amendments introduced were approved on 29 November 2019 and apply to all transactions after 1 January 2020.

The adoption of this amendment had no effect on the consolidated financial statements at 30 September 2021.

On 26 September 2019 IASB published the amendment entitled “Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform”. It also amends IFRS 9 - Financial Instruments and IAS 39 - Financial Instruments: Recognition and Measurement as well as IFRS 7 - Financial Instruments: Disclosures. In particular, the amendment modifies some of the requirements laid down for the application of hedge accounting, providing for temporary derogations from them, in order to mitigate the impact of the uncertainty of the IBOR reform on future cash flows. The amendment also requires companies to provide additional information in the financial statements on their hedging relationships that are directly affected by the uncertainties generated by the reform and to which they apply the above-mentioned derogations.

The amendment was approved on 15 January 2020 and had no effect on the consolidated financial statements at 30 September 2021.

An amendment to IFRS3 - Business combinations was approved on 21 April 2020. The amendment relates to the definition of “business” and helps entities determine whether an acquisition made is a “business” or a group of assets. According to the new definition a “business” is: “an integrated group of assets and activities that can be directed and managed for the purpose of providing goods or services to customers, generating income from investments (such as dividends or interest) or generating other income from ordinary activities. The amendments also clarify that, to be considered a

business, an acquisition must include an input and a substantial process that together contribute to the ability to create an output.” Companies should apply amendments, at the latest, from the start of their first financial year that begins on or after 1 January 2020.

The adoption of these amendments had no effect on the consolidated financial statements at 30 September 2021.

On 28 May 2020, the IASB published an amendment entitled “Covid-19 Related Rent Concessions (Amendment to IFRS 16)”. The document provides for the possibility for lessees to account for the reductions in rent related to Covid-19 without having to assess, through an analysis of contracts, whether the definition of lease modification in IFRS 16 is complied with. Therefore, lessees who apply this option will be able to account for the effects of reductions in rent directly in the income statement on the effective date of the reduction. The amendment was approved on 9 October 2020 with application to financial statements starting on 1 June 2020 and the possibility of early adoption on 1 January 2020. Since the Group operates mainly as a lessor, the introduction of the new amendment did not have any effect on the consolidated financial statements at 30 September 2021.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS OF FUTURE EFFECTIVENESS

With reference to the IFRS standards, approved by the IASB and approved for adoption in Europe, whose mandatory effective date is after 31 December 2020, the following is noted.

In May 2020, the document “Amendment to IFRS 4 Insurance Contracts - Deferral of IFRS 9” was published, which extends the expiry of the temporary exemption from the application of IFRS 9 until 2023 in order to align the effective date of IFRS 9 with the new IFRS 17 – Insurance Contracts and thus remedy the temporary accounting consequences that could occur if the two standards were to enter into force on different dates. The date of application is from 1 January 2021.

In August 2020, in light of the reform on interbank interest rates such as IBOR, the IASB published the document “Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Reform of the interest rate benchmark - Step 2” amending IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16. This amendment is part of the process of reforming interbank rates, which provides for a transition to alternative reference rates. The IASB has therefore redefined the reference indices for determining interest rates in order to take account of the consequences of the reform on financial reporting. The amendment must be applied at the latest from the start of the first financial year beginning on or after 1 January 2021.

Any impacts on the Group's consolidated financial statements arising from the aforementioned amendments are still being assessed.

OTHER INFORMATION

Relations with the Public Administration

For information purposes, it should also be noted that, as part of the relief introduced to combat the economic and financial effects of the measures to contain the Covid-19 epidemiological emergency, the following were recognised during the year:

- Euro 45 thousand as non-repayable grants for economic operators pursuant to Law Decree 41/2021 Supports;
- Euro 45 thousand as non-repayable grants for economic operators pursuant to Law Decree 73/2021 Supports bis.

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 2021 and 30 September 2020.

	30.09.2021	30.09.2020	Change
Property	5.416.105	5.556.952	(140.847)
Plant and machinery	18.661	12.223	6.438
General equipment	15.411	16.193	(782)
Other property, plant and equipment	848.867	875.018	(26.150)
Assets under construction and payments on account	2.681.154	-	2.681.154
Total	8.980.197	6.460.386	2.519.813

The table below shows changes in Property, plant and equipment at the reporting dates 30 September 2021 and 30 September 2020, 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	5.926.095	23.117	19.050	1.118.983	-	7.087.245
Amortisation (accumulated amortisation)	(369.142)	(10.895)	(2.858)	(243.965)	-	(626.859)
Carrying amount	5.556.953	12.223	16.193	875.018	-	6.460.386
Changes in the period						
Increases for acquisitions	36.052	14.800	672	152.118	2.681.154	2.884.796
Reclassifications (of carrying amount)	-	-	-	-	-	-
Amortisation in the year	(176.899)	(8.362)	(1.454)	(156.156)	-	(342.871)
Total changes	(140.847)	6.438	(782)	(26.151)	2.681.154	2.519.812
Closing balance						
Cost	5.962.147	37.917	19.722	1.271.101	2.681.154	9.972.041
Amortisation (accumulated amortisation)	(546.041)	(19.256)	(4.311)	(422.234)	-	(991.843)
Carrying amount	5.416.105	18.661	15.411	848.867	2.681.154	8.980.197

The item “assets under construction” increased primarily due to costs incurred for the construction of the property intended for rental in co-living form of the subsidiaries Smartcity S.r.l. and Deametra S.r.l., equal to Euro 2,493 thousand and Euro 188 thousand, respectively.

The item “Other property, plant and equipment” increased primarily due to costs mainly incurred for the refurbishment of the viale Umbria 32 showroom, totalling Euro 98 thousand.

Note 2. Intangible assets

The table below shows the breakdown of the item Intangible assets at 30 September 2021 and 30 September 2020.

	30.09.2021	30.09.2020	Change
Development costs	1.011.508	992.224	19.284
Concessions, licences, trademarks and similar rights	844	8.657	(7.812)
Assets under construction and payments on account	504	25.704	(25.200)
Other intangible assets	661.098	238.159	422.939
Total	1.673.955	1.264.744	409.211

The table below shows changes in Intangible assets at the reporting dates 30 September 2021 and 30 September 2020, by individual asset category.

	Development costs	Concessions, licences, trademarks and similar rights	Intangible assets under construction and payments on account	Other intangible assets	Total intangible assets
Opening balance					
Cost	1.616.316	24.382	25.704	371.863	2.038.265
Amortisation (accumulated amortisation)	(624.092)	(15.725)	-	(133.704)	(773.521)
Carrying amount	992.224	8.657	25.704	238.159	1.264.743
Changes in the period					
Increases for acquisitions	423.226	-	-	602.590	1.025.816
Reclassifications (of carrying amount)	-	-	(25.200)	25.200	-
Amortisation in the year	(403.941)	(7.812)	-	(204.851)	(616.604)
Total changes	19.284	(7.812)	(25.200)	422.939	409.211
Closing balance					
Cost	2.039.541	24.382	504	999.653	3.064.080
Amortisation (accumulated amortisation)	(1.028.033)	(23.538)	-	(338.555)	(1.390.125)
Carrying amount	1.011.508	844	504	661.098	1.673.955

The increase in development costs and other intangible assets is due, for an amount equal to Euro 834 thousand to the investment made by the Group in relation to the development and integration of the CRM platform, a management platform for the integration between Revit and Salesforce, an e-commerce platform. These costs refer to services supplied by third parties. Development costs incurred by the Group refer to projects that satisfy the requirements of IAS 38. In addition, this item includes the right to use the property leased and used by the Chairman of the Board of Directors for a net carrying amount of Euro 148 thousand

Note 3. Equity investments in other companies

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 4,368 thousand.

The carrying amount increased by €2,071 thousand due to the revaluation generated by the alignment of the carrying amount to fair value at 30 September 2021 as the asset is classified as Financial assets at fair value through profit or loss (FVTPL). The quoted value at 30 September 2021 of EUR 7.6 per share was used as the fair value benchmark.

The residual amount of Euro 3 thousand relates to shareholdings held in Banca di Credito Cooperativo.

Note 4. Deferred tax assets and liabilities

The net balance of deferred tax assets and liabilities at 30 September 2021 is as follows.

	30.09.2021	30.09.2020	Change
Deferred tax assets	1.172.151	883.153	398.663
Payables for deferred tax liabilities	(6.466.158)	(4.058.460)	(2.407.698)
Net position	(5.294.007)	(3.175.307)	(2.009.035)

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:

	30.09.2020	Recognised in Income Statement	Recognised in Equity	30.09.2021
ACE	-	8.740		8.740
Directors' remuneration	83.520	77.040		160.560
Unpaid employee bonuses	67.200	47.904		115.104
Measurement of work in progress in accordance with IFRS 15	(5.190.191)	(2.717.788)		(7.907.979)
Leases in accordance with IAS 17	(7.994)	(12.125)		(20.119)
Employee benefits in accordance with IAS 19	18.619	(880)	6.993	24.732
Derecognition of multi-year costs in accordance with IAS 38	301.017	(116.677)		184.340
Hedging derivatives valuation	-		7.689	7.689
Tax losses of subsidiary Richard Srl	-	2.928		2.928
Inventory adjustment to reflect intercompany mark-up rounding	1.552.522	577.476		2.129.998
		(11)		
Totale	(3.175.307)	(2.133.393)	14.682	(5.294.007)

Note 5. Inventory

The table below shows the breakdown of Inventory at 30 September 2021 and 30 September 2020.

	30.09.2021	30.09.2020	Change
Real estate developments under way	189.836.692	108.258.981	81.577.711
Advances on inventory	3.043.421	3.850.342	(806.921)
Finished products	16.783.276	26.948.966	(10.165.690)
Total	209.663.389	139.058.289	70.605.100

	Advances on inventory	Real estate developments under way	Finished products
Abitare In Development 4 s.r.l.	556.885	-	-
Abitare In Development 5 s.r.l.	-	10.664.741	-
Abitare In Development 6 s.r.l.	174.636	-	-
Abitare In Development 7 s.r.l.	-	-	16.495.835
Abitare in Maggiolina s.r.l.	-	3.649.971	287.441
Accursio S.r.l.	684.667	-	-
City Zeden S.r.l.	129.316	-	-
Immaginare s.r.l.	65.787	-	-
Lambrate Twin Palace s.r.l. (former Milano Living s.r.l.)	-	6.890.764	-
Milano City Village s.r.l.	-	48.812.762	-
Milano Progetti s.r.l.	-	23.309.289	-
Mivivi s.r.l.	277.261	-	-
MyCity s.r.l.	-	4.793.323	-
Palazzo Naviglio s.r.l.	-	16.424.113	-
Porta Naviglio Grande (former Mica s.r.l.)	-	13.507.022	-
Richard s.r.l.	-	9.041.968	-
Savona 105 s.r.l.	-	30.371.127	-
TheUnits s.r.l. (former Alibranda s.r.l.)	1.036.709	-	-
Trilogy Towers s.r.l.	-	22.371.612	-
Volaplana s.r.l.	118.160	-	-
Total	3.043.421	189.836.692	16.783.276

The item "Finished products" mainly refers to the completed apartments owned by the subsidiary Abitare In Development 7 S.r.l.. The item "Real estate developments under way" refers to projects under way and not yet completed as at 30 September 2021 and includes costs incurred to purchase real estate to be developed for a total amount of Euro 99,892 thousand. The typical length of the production cycle in Abitare In Group's sector is influenced by a number of factors, such as authorisation procedures and relations with the public administration in general, customer requests to customise properties and works planning. In view of the above, the number of projects to be completed within 12 months cannot be reliably estimated. The item in question mainly consists of inventory attributable to the subsidiaries Milano City Village (Euro 48,813 thousand), Milano Progetti S.r.l. (Euro 23,309 thousand), Abitare In Development 5 S.r.l. (Euro 10,665 thousand), Savona 105 S.r.l. (Euro 30,371 thousand), Trilogy Towers S.r.l. (Euro 22,372 thousand), Palazzo Naviglio S.r.l. (Euro 16,424 thousand), Porta Naviglio Grande S.r.l. (former Mica S.r.l.) (Euro 13,507 thousand), Richard S.r.l. (Euro 9,042 thousand) and My City S.r.l. (Euro 4,793 thousand).

Advances on inventory refer to suspended costs linked to areas for which a preliminary contract has been signed.

Note 6. Trade receivables

Trade receivables amounted to Euro 293 thousand (Euro 586 thousand at the end of the previous reporting period). These receivables are recognised net of the provision for bad debt. There are no past due receivables.

Note 7. Other current assets

Other current assets amounted to Euro 12,105 thousand (Euro 14,387 thousand at the end of the previous reporting period).

	30.09.2021	30.09.2020	Change
Down payments/deposits on real estate complexes purchased	6.820.672	9.499.729	(2.679.057)
Accrued income and prepaid expenses	3.972.466	4.228.278	(255.812)
Other current assets	1.312.209	658.761	653.448
Other current assets	12.105.347	14.386.768	(2.281.421)

The item "Down payments/deposits on real estate complexes purchased" consists of:

- the payment of Euro 662 thousand for the purchase without recourse, from Banco BPM, of the receivable from Immobiliare Tacito of a nominal amount of Euro 11,000 thousand. The receivable is secured by a mortgage on the property situated in Milan, via Tacito, near the other two real estate complexes owned by the subsidiaries Milano City Village s.r.l. and Milano Progetti s.r.l.;
- the down payment of Euro 1,000 thousand to purchase the real estate complex situated in the area south of Porta Romana in Milan. Finalisation is subject to obtaining the urban planning implementation agreement. The total agreed price to acquire the entire capital is Euro 16,000 thousand. The final payment of the price will be made on the date the final agreement is signed;
- the down payment of Euro 1,075 thousand to purchase the real estate complex situated in the Accursio area of Milan. The total agreed price to purchase the real estate complex is Euro 11,000 thousand. The final payment of the price will be made on the date the final agreement is signed;
- the down payment of Euro 1,628 thousand to purchase the real estate complex situated in the Nolo area of Milan. The total agreed price to purchase the real estate complex is Euro 2,700 thousand. The final payment of the price will be made on the date the final agreement is signed;
- the down payment of Euro 450 thousand to purchase the real estate complex situated in the Corvetto area of Milan. The total agreed price to purchase the real estate complex is Euro 3,000 thousand. By 30 June 2021, the sum of Euro 150 thousand will be paid by way of a further deposit. The purchase will be finalised by 30 June 2022 and the final payment of the price will be made on the date the final agreement is signed;
- the down payment of Euro 750 thousand to purchase the real estate complex situated in via Tucidide, Milan. The total agreed price to purchase the real estate complex is Euro 12,500 thousand. The purchase will be finalised by 31 December 2022 and the final payment of the price will be made on the date the final agreement is signed;
- the down payment of Euro 500 thousand to purchase the real estate complex situated in the Bisceglie area, Milan. The total agreed price to purchase the real estate complex is Euro 5,000 thousand. The purchase will be finalised by 30 June 2022 and the final payment of the price will be made on the date the final agreement is signed;

- the down payment of Euro 756 thousand to purchase the real estate complex situated in the Greco Pirelli area, Milan. The total agreed price to purchase the real estate complex is Euro 7,560 thousand. The purchase will be finalised by the end of August 2022 and the final payment of the price will be made on the date the final agreement is signed;

Accrued income and prepaid expenses mainly include:

- assets related to commission paid, totalling Euro 1,232 thousand, to acquire contracts of sale;
- prepayment of multi-year surety costs, totalling Euro 2,253 thousand;

Other current assets mainly comprise the receivable from the subsidiary Abitare In Maggiolina S.r.l., equal to Euro 725 thousand accrued from suppliers as contractual repayments.

Note 8. Current tax assets

Current tax assets (Euro 5,944 thousand) mainly refer to the VAT receivable (Euro 5,887 thousand).

Note 9. Cash and cash equivalents

The table below shows the breakdown of cash and cash equivalents as at 30 September 2021 and 30 September 2020.

	30.09.2021	30.09.2020	Change
Bank and postal accounts	13.776.538	35.181.847	(21.405.309)
Cash-in-hand and cash equivalents	1.747	299.148	(297.401)
Cash and cash equivalents	13.778.285	35.480.995	(21.702.711)

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 2021 are unrestricted and not tied to a particular use.

Note 10. Equity

Equity has increased due to the recognition of the Stock Grant reserve and the change in the OCI reserve and in 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 2021.

	Profit (loss)	Equity
Abitare In S.p.A.	6.760.145	48.262.174
Profit (loss) of subsidiaries	12.885.852	12.885.852
Intergroup dividends	(6.100.000)	
Intergroup profits included in the value of inventories net of tax effect	(1.492.414)	(5.504.490)
Other changes	108.620	24.914
Difference between carrying amount and their equity	-	17.168.060
Shareholders' equity and profit for the year as reported in the consolidated financial statements	12.162.202	72.836.510
Shareholders' equity and profit for the year attributable to third parties	(29.556)	468.661
Shareholders' equity and profit for the year attributable to the Group	12.191.758	72.367.849

OCI reserve

The item in question shows a negative value of Euro 92 thousand (negative for Euro 45 thousand as at 30 September 2020) and include:

- the gains/(losses) that will be transferred to the income statement, relating to the cash flow hedge reserve on the hedging derivatives of Abitare In S.p.A. and Porta Naviglio Grande S.r.l., which show a negative value of Euro 24 thousand.
- 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 value of Euro 67 thousand (negative for Euro 45 thousand as at 30 September 2020).

Capital and reserves attributable to non-controlling interests

The item in question amounted to Euro 469 thousand (Euro 498 thousand as at 30 September 2020) and mainly relates to the minority shareholders of the subsidiaries Homizy S.p.A., 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 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, the 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).

Note 11. Current and non-current financial liabilities

The table below shows the breakdown of non-current financial liabilities at 30 September 2021 and 30 September 2020.

	30.09.2021			30.09.2020			Change
	non-current portion	current portion	Total	non-current portion	current portion	Total	
Medium/long-term bank loans	71.639.614	16.362.832	88.002.446	38.614.405	22.337.465	60.951.870	27.050.576
Short-term bank loans	-	-	-	-	-	-	-
Other financial payables	527.436	347.830	875.267	609.729	68.411	678.140	197.127
Total	72.167.050	16.710.663	88.877.713	39.224.134	22.405.876	61.630.010	27.247.703

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 payable	Mortgage on real estate/ guarantees	Covenants
Loan	Abitare In S.p.A.	1.300	16.07.2019	31.12.2023	433	546	979	n/a	No
Loan	Abitare In S.p.A.	5.200	23.09.2020	23.09.2025	951	4.220	5.171	n/a	Si
Loan	Abitare In S.p.A.	4.500	20.05.2021	31.05.2025	-	4.482	4.482	n/a	Si
Loan	Abitare In S.p.A.	5.000	29.07.2021	29.07.2023	18	4.954	4.972	n/a	No
Mortgage loan	Abitare In Development 3 S.r.l.	3.000	22.06.2018	30.06.2033	185	2.217	2.402	6.000	No
Unsecured loan	Abitare In Development 4 S.r.l.	4.700	26.11.2020	26.11.2022	15	4.685	4.700	Pledge on AID4 shares	No
Loan	Abitare In Development 5 S.r.l.	8.300	02.08.2021	02.08.2023	31	8.197	8.226	16.600	No
Landed property loan	Abitare In Development 7 S.r.l.	17.000	28.05.2020	31.05.2022	4.967	-	4.967	34.000	No
Landed property loan	Savona 105 S.r.l.	37.500	03.12.2020	31.12.2030	70	10.631	10.701	75.000	Si
Landed property loan	Porta Naviglio Grande s.r.l. (former Mica s.r.l.)	11.802	14.01.2021	14.12.2025	-	2.990	2.990	23.604	Si
Landed property loan	TheUnits S.r.l. (former Alibranda S.r.l.)	3.100	15.02.2021	28.02.2038	-	492	492	6.200	No
Landed property loan	Milano City Village S.r.l.	50.000	31.07.2018	31.12.2028	93	16.452	16.545	100.000	Si
Landed property loan	Trilogy Towers S.r.l.	19.700	28.02.2019	28.02.2029	3	1.506	1.510	39.400	Si
Landed property loan	Palazzo Naviglio S.r.l.	14.950	18.02.2020	17.02.2035	11	4.564	4.575	29.900	No
Credit facility backed by landed property	Milano Progetti S.r.l.	10.500	28.12.2020	31.07.2022	9.510	-	9.510	21.000	No
Mortgage loan	MyCity S.r.l.	2.500	17.05.2019	31.05.2034	76	2.410	2.486	5.000	No
Landed property loan	Lambrate Twin Palace S.r.l. (former Milano Living S.r.l.)	18.100	25.05.2021	31.03.2049	-	3.294	3.294	36.200	No
Total					16.363	71.640	88.002		

* For landed property loans, disbursement is provided for in the Works Progress Reports (SAL) up to the amount indicated.

The following is a sensitivity analysis that was determined on the basis of the Group's exposure at 30 September 2021 and concerns the effect on the income statement of interest rate changes, both upward and downward.

The columns show the increase (+) or, on the contrary, a decrease (-) in financial expenses compared to the value in the 2021 Consolidated Financial Statements.

Rate changes		Sensitivity on rates (Euro thousand)	
(+)	(-)	(+)	(-)
+50 BP	-50 BP	440	(440)
+100 BP	-100 BP	880	(880)
+200 BP	-200 BP	1.760	(1.760)
+300 BP	-300 BP	2.640	(2.640)

Below is a summary table of the financial covenants provided for in some of the loan agreements of the Abitare In Group:

Loan	Frequency and date of last calculation	Parameter	Limit	Parameter at last reporting date
Abitare In S.p.A. (BPER)	Financial year (30/09/2021)	consolidated net financial debt/consolidated equity	≤ 1,75	1,04
Abitare In S.p.A. (BPER)	Financial year (30/09/2021)	net financial debt in financial statements/equity in financial statements	≤ 0,75	0,48
Abitare In S.p.A. (BCC)	Financial year (30/09/2021)	Consolidated net financial debt/consolidated Ebitda Adj.	≤ 3,75	3,54
Abitare In S.p.A. (BCC)	Financial year (30/09/2021)	consolidated net financial debt/consolidated equity	≤ 1,75	1,04
Savona 105 S.r.l.	Calendar year (31/12/2020)	Loan to Cost	≤ 69,5%	59,19%
Porta Naviglio Grande s.r.l.	Financial year (30/09/2021)	Loan to Cost/Loan to Value	≤ 63%/45%	41,34%
Milano City Village S.r.l.	Financial year (30/09/2021)	Loan to Cost	≤ 62,4%	47,36%
Trilogy Towers S.r.l.	Calendar year (31/12/2020)	Loan to Cost/Loan to Value	≤ 63%/70%	23,70%

As at 30 September 2021 the financial covenants had been fully complied with.

The item “Other financial payables” mainly includes the financial payable to the leasing company in relation to the purchase of the property located at Via Amadeo, 57 (Euro 417 thousand), the financial payable for the leaseback agreement entered into with BNL in relation to office equipment (Euro 88 thousand) and the financial payables relating to the multi-year right to use the property by the chairman of the Board of Directors (Euro 147 thousand) and financial payables of the subsidiary Accursio Srl to the previous owners (Euro 200 thousand).

As required by IAS 7 paragraph 44^a-44E, the table below summarises the changes in the liabilities arising from the loan:

	Changes arising from cash flows		Changes arising from non-cash flows			30.09.2021
	30.09.2020	Changes in the share capital	Changes in interest rates	Changes in fair value	Other changes	
Payables to banks	60.951.870	27.402.850	54.851	-	(407.125)	88.002.446
Other financial liabilities	678.140	181.663	-	-	15.464	875.267
Total	61.630.010	27.584.513	54.851	-	391.661	88.877.713

Note 12. Employee benefits

Pursuant to IAS 19R, the main economic-financial assumptions used in the actuarial valuations are detailed below:

	30.09.2021	30.09.2020
Annual inflation rate	1,00%	1,00%
Technical annual discount rate	0,70%	0,60%
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 2020	246.904
Financial expenses	1.302
Advances paid and settlements	(59.386)
Accruals	104.745
Actuarial gains (losses)	31.577
Balance at 30 September 2021	325.142

Note 13. Other non-current liabilities

As at 30 September 2021, the item “Other non-current liabilities” consisted of the severance indemnity reserve (Euro 253 thousand) and the provision for risks (Euro 32 thousand), related to the negative mark to market of the cash flow hedge derivatives stipulated by Abitare In S.p.A. and the subsidiary Porta Naviglio Grande S.r.l..

The following changes were recorded in the directors’ severance indemnity reserve:

Balance at 30 September 2020	201.445
Financial expenses	1.209
Advances paid and settlements	-
Accruals	52.547
Actuarial gains (losses)	(2.442)
Balance at 30 September 2021	252.759

Note 14. Customer down payments and deposits

The item payments on account consists of deposits and down payments received against contracts entered into to sell real estate units under construction. In detail, the non-current liability for down payments and deposits, amounting to Euro 65,452 thousand, refers to the subsidiaries Milano City Village S.r.l., Trilogy Towers S.r.l, Palazzo Naviglio S.r.l., Porta Naviglio Grande S.r.l., Savona 105 S.r.l. and Abitare In Development 5 S.r.l. (Euro 25,175 thousand, Euro 16,550 thousand, Euro 7,466 thousand, Euro 5,174 thousand, Euro 9,900 thousand and Euro 186 thousand, respectively). In addition, the item in question includes the deposit of Euro 1,000 thousand paid to the subsidiary Milano Progetti S.r.l. by the Korian Italia Group following the signing of the preliminary agreement for the sale, to the latter, of a portion of the property complex owned by the subsidiary.

The current liability for down payments and deposits, amounting to Euro 2,414 thousand, entirely refers to the subsidiary Abitare In Development 7 S.r.l.

Note 15. Trade payables

Trade payables amounted to Euro 11,704 thousand (Euro 12,500 thousand as at 30 September 2020) and are recognised at nominal value. All payables fall due within the next year. They mainly refer to suppliers involved in production activities. There are no significant payables in currencies other than the Euro.

Note 16. Other current liabilities

The table below shows the breakdown of other current liabilities at 30 September 2021 and 30 September 2020.

	30.09.2021	30.09.2020	Change
Town planning costs	3.013.786	2.047.495	966.291
Other payables	5.547.302	2.989.495	2.557.807
Accrued expenses and prepaid income	192.454	532.682	(340.229)
Social security contributions payable	51.636	52.058	(422)
Other current liabilities	8.805.177	5.621.730	3.183.447

Payables arising from the phased payment of town planning costs refer to the subsidiaries Maggiolina S.r.l., Trilogy Towers S.r.l. and Porta Naviglio Grande S.r.l. and amount to Euro 367 thousand, Euro 1,902 thousand and Euro 745 thousand, respectively.

The item other payables mainly includes:

- Retention money payable to the contractor engaged to build the real estate projects of the subsidiaries Abitare in Maggiolina S.r.l., Milano City Village S.r.l., Abitare In Development 7 S.r.l, Palazzo Naviglio S.r.l. and Trilogy Towers S.r.l. totalling Euro 3,514 thousand;
- Retention money payable to the contractor engaged to complete demolition and rehabilitation works in the real estate projects of the subsidiaries MyCity S.r.l. and Lambrate Twin Palace S.r.l., totalling Euro 27 thousand;
- Payable for a total amount of Euro 79 thousand due to the result of the 2016 IMU assessment, information about which is provided in the Directors' report;
- Provision for current risks of Euro 424 thousand concerning the allocation of bonuses to employees;
- Payables to directors for unpaid accrued compensation amounting to Euro 671 thousand.

Note 17. Current tax liabilities

Current tax liabilities mainly refer to the IRES tax payable, amounting to Euro 193 thousand, the tax payable for IRAP of Euro 344 thousand and payables for IMU of Euro 186 thousand.

NOTES TO KEY ITEMS IN THE INCOME STATEMENT

Note 18. Revenue and changes in work in progress and finished products

Total revenue amounts to Euro 124,818 thousand at 30 September 2021 (Euro 73,076 thousand at 30 September 2020). The change is mainly due to the increase in the item “Revenue from sales and services” for Euro 9,067 thousand, the item “Change in inventory for new sites purchased” for Euro 29,098 thousand and the item “Change in inventory due to progress of work” for Euro 12,126 thousand.

Note 18.1 Revenue from sales and services

Revenue from sales and services, amounting to Euro 50,436 thousand at 30 September 2021, mainly refers to the sale of residential units by Abitare in Maggiolina s.r.l. for a total amount of Euro 25,328 and Abitare In Development 7 S.r.l. for a total amount of Euro 25,108 thousand.

Note 18.2 Change in inventory for new sites purchased

As at 30 September 2021 this item includes the costs incurred for the acquisition of the real estate complex by the subsidiaries TheUnits S.r.l. (former Alibranda S.r.l.), Abitare In Development 5 S.r.l., Savona 105 S.r.l., Porta Naviglio Grande S.r.l. (former Mica S.r.l.), Lambrate Twin Palace S.r.l. (former Milano Living S.r.l.), Trilogy Towers S.r.l., Richard S.r.l. and Milano Progetti S.r.l. amounting respectively to Euro 800 thousand, Euro 10,350 thousand, Euro 18,500 thousand, Euro 6,530 thousand, Euro 5,300 thousand, Euro 133 thousand, Euro 7,835 thousand and Euro 250 thousand.

Note 18.3 Change in inventory for progress of works

The item “Change in inventory for progress of works” breaks down as follows:

	30.09.2021	30.09.2020
Abitare In Development 4 s.r.l.	75.970	552.983
Abitare In Development 5 s.r.l.	249.309	-
Abitare In Development 6 s.r.l.	37.136	49.052
Abitare In Development 7 s.r.l.	(4.582.863)	5.299.771
Abitare in Maggiolina s.r.l.	(23.011.553)	(19.856.408)
Accursio Srl	192.237	-
City Zeden Srl	129.316	-
Homizy S.p.A.	-	2.916
Immaginare Srl	65.787	-
Lambrate Twin Palace s.r.l. (former Milano Living s.r.l.)	1.544.141	46.623
Milano City Village s.r.l.	13.230.628	6.058.958
Milano Progetti s.r.l.	1.945.286	3.273.777
Mivivi s.r.l.	18.213	186.144
MyCity s.r.l.	310.759	151.555
Palazzo Naviglio s.r.l.	4.903.594	6.390.332
Porta Naviglio Grande s.r.l. (former Mica s.r.l.)	6.584.095	392.810
Richard Srl	1.193.776	-
Savona 105 s.r.l.	9.676.806	1.995.841
Smartcity s.r.l.	-	117.578
The Units s.r.l. (former Alibranda s.r.l.)	215.057	21.652
Trilogy Towers s.r.l.	7.757.853	3.843.736
Volaplana s.r.l.	118.160	-
Total	20.653.707	8.527.320

The breakdown of revenue from sales and services by asset type and geographical area has been omitted insofar as it is immaterial.

Note 18.4 Other operating revenue

Other operating income of Euro 4,030 thousand as at 30 September 2021 mainly comprises the suspended costs relating to investments in property held for leases in the co-living form by the subsidiaries Smartcity S.r.l. and Deametra S.r.l. for Euro 2,417 thousand (of which Euro 2,250 thousand for the acquisition of a new area) and Euro 188 thousand, respectively, revenues from suppliers as contractual reimbursements amounting to Euro 633 thousand, the portion pertaining to the year of the tax receivable on R&D activities (Euro 60 thousand) and grants for the year (Euro 94 thousand).

Note 19. Operating expenses

As at 30 September 2021, this item includes:

- the costs incurred for the acquisition of the real estate complex for sale by the subsidiaries TheUnits S.r.l. (former Alibranda S.r.l.), Abitare In Development 5 S.r.l., Savona 105 S.r.l., Porta Naviglio Grande S.r.l. (former Mica S.r.l.), Lambrate Twin Palace S.r.l. (former Milano Living S.r.l.), Trilogy Towers S.r.l., Richard S.r.l. and Milano Progetti S.r.l. amounting respectively to Euro 800 thousand, Euro 10,350 thousand, Euro 18,500 thousand, Euro 6,530 thousand, Euro 5,300 thousand, Euro 133 thousand, Euro 7,835 thousand and Euro 250 thousand;
- Cost incurred for the purchase of real estate intended for rental in co-living form of the subsidiary Smartcity S.r.l. equal to Euro 2,250 thousand.

Note 19.1 Costs for services

Costs for services break down as follows:

	30.09.2021	30.09.2020	Change
Legal, notarial and administrative consultancy	1.165.030	503.721	661.309
Technical consultancy	1.929.251	540.393	1.388.858
Design and project management	3.518.915	3.775.854	(256.939)
Construction costs	25.227.544	18.119.074	7.108.470
Rehabilitation	1.278.519	2.395.658	(1.117.139)
Demolition	1.295.963	2.611.359	(1.315.396)
Construction charges	3.581.994	3.093.150	488.844
Directors	3.130.191	617.414	2.512.777
Statutory auditors, auditing firm and supervisory body	410.438	114.555	295.883
Marketing and advertising	953.833	697.750	256.083
Furniture costs	1.218.130	2.052.136	(834.006)
Brokerage fees	877.902	580.906	296.996
Sureties	640.134	652.117	(11.983)
Insurance	350.104	208.972	141.132
Utilities	103.979	115.953	(11.974)
Other	4.602.751	2.296.228	2.306.523
Total	50.284.678	38.375.241	11.909.438

As at 30 September 2021, Directors' remuneration includes the costs related to the stock grant plan amounting to Euro 2,380 thousand.

Note 19.2 Personnel expenses

The breakdown of personnel expenses is as follows:

	30.09.2021	30.09.2020	Change
Wages and salaries	1.501.192	3.022.122	(1.520.930)
Social security costs	489.762	450.374	39.388
Severance indemnity reserve (TFR)	104.745	102.275	2.470
Other expenses	12.440	14.827	(2.387)
Total personnel expenses	2.108.140	3.589.598	(1.481.458)

At 30 September 2020, personnel expenses included the costs related to the stock grant plan, whose beneficiaries are the employees for a value of Euro 1,221 thousand.

Employees

The table below shows the average/end-of-period number of employees by category at 30 September 2021 and 30 September 2020:

	30.09.2021		30.09.2020	
	Average	End-of-period	Average	End-of-period
Executives	2	2	2	2
Office workers	37	37	32	32
Total	39	39	34	34

Note 19.3 Depreciation/Amortisation

The breakdown of "Depreciation/amortisation" is as follows:

	30.09.2021	30.09.2020	Change
Amortisation of intangible assets	616.604	411.520	205.084
Depreciation of property, plant and equipment	342.872	298.162	44.709
Total amortisation/depreciation	959.476	709.682	249.794

The increase in depreciation/amortisation mainly reflects the incremental investments made in Development by the parent company Abitare In S.p.A..

Note 19.4 Impairment losses and provisions

Other operating expenses amounted to Euro 1,882 thousand and mainly include indirect taxes (Euro 1,073 thousand), (including IMU tax amounting to Euro 851 thousand), contractual penalties (Euro 169) and, for the remainder, subscriptions and membership fees and various losses incurred.

Note 19.5 Other operating expenses

Other operating expenses amounted to Euro 1,882 thousand and mainly include indirect taxes (Euro 1,073 thousand), (including IMU tax amounting to Euro 851 thousand), contractual penalties (Euro 169) and, for the remainder, subscriptions and membership fees and various losses incurred.

Note 20. Financial income and expenses

Financial income as at 30 September 2021 amounted to Euro 2,176 thousand and referred mainly to the re-measurement at fair value of the equity investment in Tecma Solution S.p.A., amounting to Euro 2,072 thousand;

Financial expenses amount to Euro 2,337 thousand and Euro 2,076 thousand respectively, at 30 September 2021 and 30 September 2020. The change above is mainly due to the increase in average financial payables to banks.

These financial assets are classified as Financial assets at fair value through profit or loss (FVTPL) in accordance with IFRS 9.

Note 21. Income taxes

The table below shows the breakdown of income taxes at 30 September 2021 and 30 September 2020.

	30.09.2021	30.09.2020	Change
current	2.407.304	1.999.257	408.047
deferred	2.133.393	29.293	2.104.100
Income taxes	4.540.697	2.028.550	2.512.147

The reconciliation between the actual tax liability recognised in the financial statements and the theoretical tax liability, determined for IRES and IRAP taxes and based on the theoretical tax rate, is as follows:

IRES tax	%	2021	2020
EBT		16.702.889	11.210.678
Theoretical tax liability (%)	24%	4.008.693	2.690.563
Increases:			
IMU TAX		743.360	514.173
Unpaid remuneration and employee bonuses		876.741	628.000
Other increases		834.070	315.086
Total		2.454.171	1.457.259
Decreases:			
Paid remuneration and employee bonuses		350.400	-
revaluations		2.071.720	955.000
Deduction for prior losses, ACE (aid to economic growth), IRAP tax and contributions		279.068	887.847
Changes in consolidated IAS entries		8.055.462	2.739.885
Other decreases		451.781	409.132
Total		11.208.431	4.991.864
IRES tax base		7.948.629	7.676.073
IRES tax pertaining to the period		1.907.671	1.842.258

IRAP tax		2021	2020
Difference between income and costs not considered for IRAP tax purposes		22.184.768	15.569.682
Theoretical tax liability (%)	3,90%	865.206	607.218
Increases:			
Costs for collaborators and directors		695.645	677.813
IMU TAX		766.595	514.173
Other increases		766.211	589.621
Total		2.228.451	1.781.607
Decreases:			
Grants for the year		144.337	92.105
Tax wedge deductions		2.202.107	1.798.255
Changes in consolidated IAS entries		8.055.462	2.739.885
Other decreases		620.327	155.617
Total		11.022.233	4.785.862
IRAP tax base		13.390.986	12.565.427
IRAP tax pertaining to the period*		*499.633	**157.000

* net of the amount pursuant to Law Decree 34/2020 equal to Euro 61,113

** net of the amount pursuant to Law Decree 34/2020 equal to Euro 364,824

Note 22. Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding in the period. For the purposes of the diluted earnings, the ordinary shares that will be potentially issued after having met the targets set in the stock grant plan were not considered as not determinable at present.

The table below shows the breakdown of the item basic and diluted earnings per share at 30 September 2021 and 30 September 2020.

	30.09.2021	30.09.2020	Change
Net profit (loss) attributable to the owners of the Parent (Euro)	12.162.202	9.182.128	2.980.074
No. of shares outstanding	25.939.380	25.939.380	-
Number of potential ordinary shares			-
Average number of shares outstanding considered in the calculation of diluted earnings per share	25.939.380	25.939.380	-
Earnings per share (Euro)	0,47	0,35	0,11
Diluted earnings per share (Euro)	0,47	0,35	0,11

	30.09.2021	30.09.2020	Change
Net profit (loss) attributable to the owners of the Parent in statement of comprehensive income (Euro)	12.091.370	9.144.616	2.946.754
No. of shares outstanding	25.939.380	25.939.380	-
Number of potential ordinary shares			-
Average number of shares outstanding considered in the calculation of diluted earnings per share	25.939.380	25.939.380	-
Earnings per share (Euro)	0,47	0,35	0,11
Diluted earnings per share (Euro)	0,47	0,35	0,11

Note 23. 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 them.

Transactions with Group companies

During the year, the Company carried out a number of business and financial transactions with the companies of the Group.

Company	Financial receivables	Trade receivables	Other current receivables	Financial payables	Trade payables	Other current payables
Abitare In Development 3 S.r.l.	1.235.916	60.962	88.107	-	284.007	22.851
Abitare In Development 4 S.r.l.	4.508.735	245.009	924.248	-	-	58.365
Abitare In Development 5 S.r.l.	2.544.586	169.410	9.276	-	-	10.507
Abitare In Development 6 S.r.l.	1.229.555	1.700	4.723	-	-	4.947
Abitare In Development 7 S.r.l.	85.692	778.394	2.260.409	-	596.304	-
Abitare in Maggiolina s.r.l.	-	91.142	423.614	5.039.224	-	131.248
Accursio S.r.l.	5.004	164.700	-	-	-	32.000
City Zeden S.r.l.	828.529	5.169	-	-	-	1.772
Creare S.r.l.	-	899	-	-	-	2.162
Deametra S.r.l.	968.377	1.749	8.336	-	-	4.211
Homizy S.p.A.	-	31.746	-	3.727.014	-	94.318
Hommi S.r.l.	-	1.700	-	-	-	3.687
Housenow S.r.l.	-	1.700	-	-	-	1.605
Immaginare S.r.l.	502.938	13.486	-	-	-	1.402
Lambrate Twin Palace S.r.l.	2.409.193	527.378	82.503	-	-	9.890
Milano City Village S.r.l.	6.150.539	7.006	86.376	-	741.803	1.053.853
Milano Progetti S.r.l.	10.080.058	2.020.658	173.871	-	-	409.265
Mivivi S.r.l.	1.817.543	108.279	52.414	-	-	4.821
MyCity S.r.l.	2.042.697	67.589	124.453	-	-	15.343
Palazzo Naviglio S.r.l.	1.517.593	1.700	9.861	-	-	371.779
Porta Naviglio Grande s.r.l.	4.848.365	2.131.885	25.680	-	69.490	1.877.709
Richard S.r.l.	39.251	23.152	-	-	-	251
Savona 105 S.r.l.	3.359.963	2.975.871	994.557	-	-	71.812
Smartcity S.r.l.	2.318.061	114.053	-	-	-	3.571
The Units S.r.l.	281.992	31.700	282.484	-	-	5.228
Trilogy Towers S.r.l.	1.737.350	64.808	2.988	-	-	408.703
Volaplana S.r.l.	520.041	12.881	-	-	-	2.610
Total	49.031.978	9.654.726	5.553.898	8.766.238	1.691.604	4.603.910

Company	Revenue for services	Other revenue	Interest income on loans	Costs for services
Abitare In Development 3 S.r.l.	-	1.700	22.399	361.700
Abitare In Development 4 S.r.l.	-	1.700	81.927	1.700
Abitare In Development 5 S.r.l.	162.470	6.940	9.276	6.940
Abitare In Development 6 S.r.l.	-	1.700	23.615	1.700
Abitare In Development 7 S.r.l.	1.987.768	25.143	26.880	25.143
Abitare in Maggiolina s.r.l.	67.500	23.642	-	23.642
Accursio S.r.l.	-	-	4	32.000
City Zeden S.r.l.	-	5.169	5.529	5.169
Creare S.r.l.	-	899	-	1.899
Deametra S.r.l.	-	1.749	5.377	4.749
Homizy S.p.A.	30.000	1.746	-	1.746
Hommi S.r.l.	-	1.700	-	1.700
Housenow S.r.l.	-	1.700	-	1.700
Immaginare S.r.l.	-	13.486	4.938	13.486
Lambrate Twin Palace S.r.l.	514.878	12.500	24.193	12.500
Milano City Village S.r.l.	-	7.006	121.939	7.006
Milano Progetti S.r.l.	-	1.700	188.229	1.700
Mivivi S.r.l.	-	1.700	24.006	1.700
MyCity S.r.l.	-	12.900	37.328	12.900
Palazzo Naviglio S.r.l.	-	1.700	31.793	1.700
Porta Naviglio Grande s.r.l.	3.459.915	153.520	78.865	153.520
Richard S.r.l.	-	23.151	251	23.151
Savona 105 S.r.l.	2.638.370	101.948	63.750	101.948
Smartcity S.r.l.	-	1.813	14.339	1.813
The Units S.r.l.	30.000	1.700	3.992	1.700
Trilogy Towers S.r.l.	102.340	1.838	37.311	1.838
Volaplana S.r.l.	-	12.881	6.041	12.881
Total	8.993.241	421.631	811.981	817.631

Other related-party transactions

Total remuneration for the period of directors, statutory auditors and key managers of the Group amounted to Euro 3,462 thousand and is detailed in the table below:

	30.09.2021
Directors' remuneration	3.130.191
Directors' Severance Indemnity Reserve (TFM)	52.547
Statutory Auditors' remuneration	79.621
Remuneration of executive with strategic responsibilities	200.000
Total	3.462.359

Commitments and guarantees provided by the Group

In addition to what has already been reported in note 12, Abitare In guarantees the fulfilment of the obligations undertaken by the subsidiaries towards Reale Mutua Assicurazioni, in relation to the issue by the latter of the sureties that these subsidiaries procure in favour of third parties. As at 30 September 2021 the total guaranteed amount was Euro 104,5 million.

For sureties to prospective purchasers of the building units constituting the property, pursuant to Law 210 of 2 August 2004 and Legislative Decree 122 of 20 June 2005, and €7.3 million to sureties for the payment in instalments of urbanisation charges.

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 2021, based on the level that reflects the inputs used to determine their fair value:

(In Euro)		As at 30.09.2021			
	Note	Carrying amount	Level 1	Level 2	Level 3
Assets					
Equity investments in other companies	3	4.370.694	4.370.694	-	-
Trade receivables	6	293.443	-	-	293.443
Other current assets	7	12.105.347	-	-	12.105.347
Cash and cash equivalents	9	13.778.285	13.778.285	-	-
Liabilities					
Non-current financial liabilities	11	72.167.050	72.167.050	-	-
Other non-current liabilities	13	284.793	-	-	284.793
Current financial liabilities	11	16.710.663	16.710.663	-	-
Customer down payments and deposits	14	2.414.355	-	-	2.414.355
Trade payables	15	11.704.006	-	-	11.704.006
Other current liabilities	16	8.805.177	-	-	8.805.177

Contingent liabilities and main pending litigations

See the Interim report on operations.

Fees paid to the Auditing Firm

The table below shows the breakdown of the fees recognised for the six months ended 30 September 2021 for auditing services and other services supplied by the Auditing Firm BDO S.p.A..

Amounts in K€	30.09.2021
Statutory audit	147
Other services	150
Total	297

DECLARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF LEGISLATIVE DECREE 58/1998 (CONSOLIDATED FINANCEACT).

1. We, the undersigned, Luigi Francesco Gozzini and Cristiano Contini, acting respectively as Chief Executive Officer and Executive Responsible for Corporate Accounting Information for Abitare In S.p.A., taking into account the provisions of article 154-bis, paragraphs 3 and 4 of Law 58/98, certify:
- the adequacy, by reference to the characteristics of the business;
 - the effective application of the administrative and accounting procedures for the preparation of the Consolidated Financial Statements at 30 September 2021.
2. We also certify that:
- 2.1 The Financial Statements at 30 September 2021:
- 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 19 July 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.
- 2.1 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, 3 December 2021

Luigi Francesco Gozzini
(CEO)

Cristiano Contini
(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, 2021

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.



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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, 2021, the consolidated income statement, the consolidated statement of comprehensive income, 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, 2021 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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Key audit matter

Audit response

WORK IN PROGRESS OF REAL ESTATE DEVELOPMENT

PARAGRAPH: RECOGNITION OF REVENUES AND INVENTORIES; USE OF ESTIMATES
NOTE 5: INVENTORY
NOTE 18: REVENUES AND CHANGE IN WORK IN PROGRESS AND FINISHED PRODUCTS

The Group booked EUR 190 million as "Real estate developments under way" under "Inventory" as of September 30, 2021.

As described in the 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 the purchase and sale of real estate inventories are valued using the percentage of completion method in relation to construction costs (model based on inputs), recording, for the real estate units promised for sale (i.e. for which the promissory buyer has signed the related preliminary contract), a part of the margin foreseen for the completion of the real estate development. The related change is recognized in the Income Statement under the item "Change in inventory for progress of works".

The directors use estimates to determine the work progress status and for the costs and revenues at the end of the real estate initiative.

The audit procedures applied in response to this key aspect concerned, among other things:

- Examination of the methods used by the company to determine the work progress, analyzing the methods and assumptions used by the Directors;
- Physical inventory of the construction sites subject to the real estate initiative;
- Understanding and recording of the controls put in place by the company on the process of estimating the work progress status;
- Examination of the reasonableness of the forecasts of costs and revenues at the end of the real estate initiative;
- Check of the mathematical accuracy of the model used for the purpose of the SAL recalculation.

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 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, 2021, 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, 2021 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, 2021 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, 2021

BDO Italia S.p.A.

Signed by

Manuel Coppola
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 2021 (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.

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 3 December 2021.

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 2021 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 measures 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 information vs. the previous reporting period. It is pointed out that the financial statements as at 30 September 2021 are the first separate financial statements prepared in accordance with the IFRS by the Company. Up to 30 September 2020, the Company prepared its financial statements in accordance with the Italian accounting principles. The Company prepared its annual report and financial statements as at 30 September 2021 in accordance with the IAS/IFRS setting forth the comparative figures as at 30 September 2020, 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 3 December 2021, the Board of Directors

approved the draft annual report and financial statements as at 30 September 2021, 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

It is pointed out that, in the reporting period, the activities in preparation for the listing of the subsidiary Homizy S.p.A. on the AIM Pro professional investors market segment. Through the incorporation of Homizy S.p.A. the Abitare In Group entered the lease market, the new strategic business line dedicated to the development of properties to be leased out through co-living solutions.

Given its innovative nature, the Company was entered in the special section of the Business Register reserved for the so-called "innovative SMEs".

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, reporting that its outcomes did not show any impairment.

The Board of Auditors is of the opinion that the impairment testing procedure adopted by the Company is appropriate.

Atypical or unusual transactions

The Company did not carry out 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 2021 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 2021

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;

- Attended the meetings of the Board of Directors, cooperated with the Remuneration Committee and with the Committee for Transactions with Related Parties, and regularly obtained information from the Directors, at least on a quarterly basis, about the general performance of operations and the outlook, as well as about material transactions in terms of profit or loss, cash flows and financial positions, carried out by the Company and by the Group of companies it is the Parent of (the “Group”), verifying that the adopted resolutions were not blatantly imprudent, reckless, potentially in conflict of interest or conflicting with any resolutions passed by the General Meeting or fit to jeopardize the Company’s assets and equity; it is pointed out that the BoD deemed it unnecessary to set up an Appointments Committee, given the Company’s structure and size, considering also its ownership structure, as well as the list-based voting mechanism provided for by the Articles of Association, which ensures a transparent appointment procedure and a balanced composition of the Board of Directors. It is also reported that the BoD deemed it unnecessary to set up a Risk and Control Committee, expressly assigning the functions and tasks of said Committee as per the Corporate Governance Code to the Board of Directors as a whole, considering that half of the BoD members are independent 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 actual operation of the various levels of control;
- Supervised the adequacy and proper operation of the internal control and risk management system by attending the meetings of the BoD, which is vested as a whole with the function of the Risk and Control Committee, by obtaining information from the directors in charge of the internal control and risk management system, from the relevant Function Holders, from the Independent Audit Firm's representative and from the OdV. 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 activities;
- Analyzed, finding no issues or problems, the 2021-2023 medium-term plan, which was prepared by the Company's management, 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 described 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 in 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. On 13 January 2021 with the favourable opinion of this Board of Auditors, the BoD approved a memorandum on the management control and reporting system of Abitare In;
- 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 this Board:
 - 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, to the determination of remunerations and to 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 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, which was submitted to the BoD on 5 July 2021 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. Specifically, the

audit plan for the first year focused on the two processes that are deemed priority ones: purchasing cycle and information systems. The treasury management and personnel management processes were also audited.

Having regard to the purchasing cycle and to the purchasing procedure, the Internal Audit department found that *“formal correction is still quite frequent after the checks following receipt of invoices, of which, in case of noncompliance with the set criteria, payment is blocked pending their correction in accordance with the procedure, then making them compliant afterwards, also in order to understand the causes of said initial noncompliance with the procedure and any lack of the enabling grounds as required in the contractual general and special terms and conditions.”*. Internal Audit Executive Mileto pointed out that the Company is working to digitalize the entire process in order for it to need no manual activities and to ensure a more automatic behaviour of those requesting a product/service, besides *“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”*.

Having regard to personnel management, the Internal Audit department found that *“there are no specific observations to be made, except for the need to systematically organize 2 processes that are material also from a strategic standpoint: 1) Oversight on personnel training, with an audit on training programme as reported and negotiated with the owners and recipients of the training initiatives, in order to ensure systematic training where it is needed and may be needed; 2) focus on*

the process for the turnover of key function holders, in order to minimize any possible organizational disruptions following the exit of one or more holders of key organizational functions. Lastly, an “OFF boarding” procedure has not yet been formalized, to be deployed in case of resignation of employees or other personnel members, in order for the execution of all the required exit management activities to be formalized in a check-list, (e.g. by key, badge, PC, phone, system access password, terms of office, decision-making powers, ...).”.

On 5 July 2021 the BoD approved the annual audit plan submitted by Internal Audit Executive Cesare Mileto. On this matter, the Internal Audit department reported that *“full adoption of the model, especially in formal terms, and the rationalization of the planned improvement could not be achieved as the development in the staff of the Strategic Planning Unit is still in its set-up phase and said staff is focused on financial management and pursuance of strategic objectives: the reporting full development is still underway.”.*

The annual report prepared by the Board of Directors on Corporate Governance and on the Ownership Structure did not show any issued 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.

Furthermore, this Board was informed and acknowledged that the Manager in charge of the preparation of the corporate documents confirmed:

- The adequacy and suitability of the powers and means assigned to him by the Board of Directors;
- That he had direct access to all necessary information for the production of accounting data, with no need for any authorization;
- That he participated in the internal reporting activities for accounting purposes and approved all the related corporate procedures.

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.

Supervisory activities on non-financial reporting and disclosures

The Board supervised compliance with Italian Legislative Decree 254/2016, verifying the implementation of appropriate rules and procedures for the process of information collection, preparation and representation. On 5 July 2021 the BoD approved the Company’s first ESG report concerning the FY closed as at 30 September 2020. Specifically, the presentation of said non-financial report is itself of a voluntary nature for the Company, as it is not a large-sized Public Interest Entity (PIE) required to report its non-financial performances under Italian Legislative Decree 254/2016.

Therefore, this Board of Auditors has assessed the non-financial reporting and disclosure process as adequate, which is presented on a voluntary basis, in accordance with the Group’s strategic objectives in the social and environmental scope, and has nothing to report to the General Meeting.

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

On 23 December 2020, the BoD adopted the Guidelines concerning the remuneration plan and the mechanisms for incentives to executive directors and senior managers vested with strategic responsibilities, which provide for: (a) a fixed component; (b) a variable component; (c) a medium/long-term variable component; (d) fringe benefits. For non-executive directors, the Guidelines provide for a fixed remuneration mechanism. Afterwards, 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, which had been reviewed on 23 April 2021 by the Remuneration Committee; the BoD also determined the related performance objectives. On 28 April 2021, the Company's BoD 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 - at present 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.

In FY 2020/2021, pursuant to Article 2389, paragraph 3 of the Italian Civil Code, the Board of Auditors expressed its favourable opinions on the remuneration of the directors vested with specific offices and of the senior manager vested with strategic responsibilities.

Other opinions expressed by the Board of Auditors

In FY 2021, 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 2021 the Independent Audit Firm provided the Group with the services reported in the Note to the Financial Statements. Specifically, besides the statutory audit of the accounts, the Audit Firm provided non-recurring services functional to the translisting on the MTA STAR market, for a consideration of Euro 150,000.00. This Board of Auditors represents that said considerations are consistent with the size, complexity and features of the services provided and that the non-audit services assigned to the Audit Firm are not such as to jeopardize its independence.

It is also worth mentioning that, in the three consecutive FYs before the 202/2021 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 on requests for additional information contained in the Independent Auditors' Report

It is represented that, on 28 December 2021, 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 a judgement 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 2021, 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 2021, recorded in separate minutes, whose favourable outcomes are specifically described in the Self-assessment Report and in the “*2020 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 2021,

- 6 meetings of the Board of Auditors were held, lasting on average 1.33 hour each;
- The Board of Auditors had regular meetings and exchanged information with the Representatives of BDO S.p.A.;
- 20 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;
- 1 meeting of the Remuneration Committee was held, which was attended by 2 auditors, whereas no meetings of the Related Party Committee were held;
- 4 meetings of the OdV were held.

The Board of Auditors attended the meetings of the Board of Directors. Lastly, 3 General Meetings of Shareholders were held, which were attended by all directors and by two auditors on 30 November 2020 and by three auditors on 23 December 2020 and 31 May 2021.

On 3 December 2021, 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 in the Directors' Report on Operations, no significant events occurred after the reporting date.

The Board of Auditors expressed its favourable opinion on the approval of the Annual Report and Financial Statements as at 30 September 2021 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, 29 December 2021

The Board of Auditors
(Ivano Passoni)

(Marco Dorizzi)

(Matteo Ceravolo)

FINANCIAL statements

AT SEPTEMBER 2021

Individual Statement of Financial Position

	Notes	30.09.2021	Related parties	30.09.2020	Related parties
Intangible assets	1	2.591.926		2.563.874	
Property, plant and equipment	2	1.587.095		1.622.633	
Equity investments in subsidiaries	3.1	5.992.658	5.992.658	4.156.658	4.156.658
Equity investments in other companies	3.2	4.370.694		2.296.000	
Non-current financial assets	4	47.231.640		32.836.127	
Prepaid taxes	5	266.425		323.903	
TOTAL NON-CURRENT ASSETS		62.040.438		43.799.195	
Trade receivables	6	976		1.626	
Receivables from subsidiaries	7	15.548.895	15.548.895	16.550.490	16.550.490
Other current assets	8	1.324.760		1.201.287	
Current tax assets	9	2.568.528		-	
Cash and cash equivalents	10	1.058.799		6.180.535	
TOTAL CURRENT ASSETS		20.501.958		23.933.937	
TOTAL ASSETS		82.542.396		67.733.133	
Share capital		129.677		129.677	
Reserves		39.216.047		36.873.560	
Previous years' profit (loss)		2.156.305		1.590.285	
Operating profit		6.760.145		566.020	
EQUITY	11	48.262.174		39.159.542	
Non-current financial liabilities	12	15.781.035		7.490.285	
Employee benefits	13	319.931		244.124	
Other non-current liabilities	14	272.270	252.759	201.445	190.481
Payables for deferred tax liabilities	5	586		-	
TOTAL NON-CURRENT LIABILITIES		16.373.822		7.935.854	
Current financial liabilities	12	10.340.864	8.766.238	13.875.822	4.620.000
Trade payables	15	1.551.940	39.552	1.059.982	25.360
Payables to subsidiaries	16	4.678.210	4.678.210	2.531.355	2.531.355
Other current payables and liabilities	17	1.111.167	21.000	807.425	-
Current tax liabilities	18	224.219		2.363.153	
TOTAL CURRENT LIABILITIES		17.906.400		20.637.736	
TOTAL LIABILITIES		34.280.222		28.573.591	
TOTAL LIABILITIES AND EQUITY		82.542.396		67.733.133	

Individual Income Statement

	Notes	30.09.2021	Related parties	30.09.2020	Related parties
Revenue for services	19.1	8.993.241	8.993.241	7.671.743	7.651.743
Other revenue	19.2	687.903	421.631	1.013.759	856.026
TOTAL REVENUE	19	9.681.144		8.685.502	
Raw materials, semi-finished products and other materials purchased		80.967		147.010	
Services		7.674.773	3.552.330	4.314.311	1.625.759
Rentals and similar		74.222		104.642	
Services	20.1	7.829.962		4.565.963	
Personnel expenses	20.2	2.059.064	200.000	3.263.610	200.000
Depreciation/Amortisation	20.3	1.125.731		894.102	
Impairment losses and provisions	20.4	476.547	52.547	324.066	41.555
Other operating expenses	20.5	347.725		347.026	
TOTAL OPERATING EXPENSES	20	11.839.029		9.394.767	
EBIT		(2.157.885)		(709.265)	
Financial income	21	8.983.701	6.911.981	1.995.764	695.141
Financial expenses	21	(316.672)		(427.305)	
EBT		6.509.144		859.194	
Income taxes	22	(251.001)		293.174	
Profit (loss) for the year from operating activities		6.760.145		566.020	
Profit (loss) for the year		6.760.145		566.020	

Consolidated Comprehensive Income Statement

	30.09.2021	30.09.2020
Profit (loss) for the year	6.760.145	566.020
Other comprehensive income		
That will not be subsequently reclassified in profit or loss for the year		
Employee benefits	(29.135)	(49.357)
Tax effect	6.993	11.845
Total	(22.142)	(37.512)
That will be subsequently reclassified in profit or loss for the year		
AFS financial assets	(19.511)	
Tax effect	4.683	
Total	(14.828)	-
Total change in OCI reserve	(29.656)	-
Comprehensive income for the period	6.708.347	528.508

Statement of Changes in Equity

	Share capital	Share premium reserve	Legal reserve	Stock grant reserve	FTA reserve	OCI reserve	Profit carried forward from previous years	Profit for the year	Total
Equity at 30 September 2019	127.728	35.375.768	25.547	291.122	(7.246)	(7.708)	1.299.995	304.394	37.409.600
Profit (loss) for the year								566.020	566.020
Actuarial valuation of TFR						(37.512)			(37.512)
Stock grant plan rounding	1.949	1.510.607		(291.122)					1.221.434
Allocation of the profit for the year			14.104				290.290	(304.394)	-
Equity at 30 September 2020	129.677	36.886.375	39.651	-	(7.246)	(45.220)	1.590.285	566.020	39.159.542

	Share capital	Share premium reserve	Legal reserve	Stock grant reserve	FTA reserve	OCI reserve	Profit carried forward from previous years	Profit for the year	Total
Equity at 1 October 2020	129.677	36.886.375	39.651	-	(7.246)	(45.220)	1.590.285	566.020	39.159.542
Profit (loss) for the year								6.760.145	6.760.145
Actuarial valuation of TFR						(22.142)			(22.142)
Stock grant plan				2.379.457					2.379.457
Derivative fair value measurement rounding						(14.828)			(14.828)
Allocation of the profit for the year							566.020	(566.020)	-
Equity as at 30 September 2021	129.677	36.886.375	39.651	2.379.457	(7.246)	(82.190)	2.156.305	6.760.145	48.262.174

Individual statement of cash flows (indirect method)

	30.09.2021	30.09.2020
Operating activities		
Profit (loss) for the year	6.760.145	566.021
Income taxes	(251.001)	293.174
Financial income	(8.983.701)	(1.995.764)
Financial expenses	316.672	429.193
(Gains)/losses on the sale of companies		
Net accruals to provisions	578.843	426.341
Accrual to stock grant reserve	2.379.457	1.221.434
Impairment and depreciation/amortisation of property, plant and equipment and intangible assets	1.125.731	894.102
Cash flows before changes in net working capital	1.926.146	1.834.500
Increase/(decrease) in trade payables	4.046.410	1.860.080
Decrease/(increase) in trade receivables	(4.155.404)	(1.847.801)
Change in other current/non-current assets and liabilities	(526.002)	(298.589)
Net financial income/expenses collected/paid	6.556.040	278.459
Taxes paid	(224.397)	(250.724)
Use of provisions	(339.368)	(10.394)
Cash flows from (used in) operating activities (A)	7.283.425	1.565.532
Investing activities		
Investments in property, plant and equipment	(150.293)	(337.231)
Disposal of property, plant and equipment	-	-
Investments in Equity investments	(412.974)	(96.000)
Investments in intangible assets	(967.952)	(602.256)
Disposal of intangible assets	-	-
Changes in Non-current financial assets	(15.671.513)	(4.608.675)
	-	-
Cash flows from (used in) investing activities (B)	(17.202.731)	(5.644.162)
Financing activities		
Bank loans raised	9.240.157	5.200.000
Bank loan repayments	(8.348.047)	(1.710.600)
Change in current/non-current financial liabilities	3.905.461	(328.043)
Net change in current financial assets		156.760
Share capital increase against consideration		
Cash flows from (used in) financing activities (C)	4.797.571	3.318.117
Net cash flows in the period (A)+(B)+(C)	(5.121.735)	(760.513)
Cash and cash equivalents at the beginning of the year	6.180.534	6.941.047
Increase/(decrease) in cash and cash equivalents from 1 October to 30 September	(5.121.733)	(760.513)
Cash and cash equivalents at the end of the year	1.058.799	6.180.534

NOTES TO THE FINANCIAL STATEMENTS

Corporate information

Abitare In 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, Abitare In has also prepared the consolidated financial statements of the Group as at 30 September 2021.

Accounting standards and measurement criteria

Basis of presentation

The separate financial statements for the year ended 30 September 2021 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 2021 are the first IFRS financial statements prepared by the Company by virtue of the translisting 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 Abitare In 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 2021 are authorised with resolution of the Board of Directors of 3 December 2021.

Financial Statements

The separate financial statements of Abitare In as at 30 September 2021 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 associated 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 services 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 Abitare In 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 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 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 production 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	Amortisation rate
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 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 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,

between 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 investment 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.

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).

Share-based payment

The Abitare In 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.
- assets at fair value through other comprehensive income (FVOCI);
- 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)

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 achieved both by collecting 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 the principal and interest on the principal to be repaid. In addition, the equity instruments (equity investments in which the Group does not exercise control or significant influence) for which the Group applies the option granted by the principle of measuring these instruments at fair value through other comprehensive profitability (see paragraph 4 above in this regard) are also classified in this category. These assets are initially recognised at fair value. At their subsequent measurement, the valuation at the time of measurement is updated and any changes in fair value are recognised in Other comprehensive income. Any impairment losses, interest income and gains or losses on exchange rate differences are recognised in Profits or loss for the year.

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

This category includes all financial assets that do not meet the conditions, in terms of business model or cash flow characteristics, for measurement at amortised cost or at fair value through Other comprehensive income. They mainly consist of derivatives; this category also includes listed and unlisted equity instruments, which the Group has not irrevocably decided to classify as FVOCI at initial recognition or at the time of transition. Assets belonging to this category are classified as current or non-current assets according to their maturity and recognised at fair value upon initial recognition. At the time of subsequent measurement, gains and losses deriving from changes in fair value are accounted for in the consolidated income statement in the period when they are recognised.

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.

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 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 income 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:

- 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.
- Assessment of the progress of works and recognition of revenue: the method used is that of final cost based on the estimated cost to complete; this measurement is based on assumptions and estimates of the costs to complete and the related margin.
- 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 2020

On 29 March 2018, IASB published an amendment to "References to the Conceptual Framework in IFRS Standards". The amendment was approved on 29 November 2019 and is effective for periods starting on or after 1 January 2020. However, earlier application is permitted.

The Conceptual Framework defines the key concepts for financial reporting and guides the Board in developing IFRS standards. The document helps ensure that the Standards are conceptually consistent and that similar transactions are treated in the same way, so as to provide useful information to investors, lenders and other creditors.

The Conceptual Framework supports companies in developing accounting standards when no IFRS standard is applicable to a particular transaction and, more generally, helps stakeholders understand and interpret the Standards.

The adoption of this amendment had no effect on the financial statements at 30 September 2021.

On 31 October 2018, IASB published the document "Definition of Material (Amendments to IAS 1 and IAS 8)". The document introduced a change in the definition of "material" in IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. The purpose of this amendment is to clarify the definition of "material" and to introduce the concept of "obscured information" alongside the concepts of omitted or incorrect information already present in the two principles being amended. This amendment clarifies that information is "obscured" if it has been described in such a way as to produce for primary readers of financial statements an effect similar to that which would have occurred if such information had been omitted or incorrect.

The amendments introduced were approved on 29 November 2019 and apply to all transactions after 1 January 2020.

The adoption of this amendment had no effect on the financial statements at 30 September 2021.

On 26 September 2019 IASB published the amendment entitled "Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform". It also amends IFRS 9 - Financial Instruments and IAS 39 - Financial Instruments: Recognition and Measurement as well as IFRS 7 - Financial Instruments: Disclosures. In particular, the amendment modifies some of the requirements laid down for the application of hedge accounting, providing for temporary derogations from them, in order to mitigate the impact of the uncertainty of the IBOR reform on future cash flows. The amendment also requires companies to provide additional information in the financial statements on their hedging relationships that are directly affected by the uncertainties generated by the reform and to which they apply the above-mentioned derogations.

The amendment was approved on 15 January 2020 and had no effect on the financial statements at 30 September 2021.

An amendment to IFRS3 - Business combinations was approved on 21 April 2020. The amendment relates to the definition of "business" and helps entities determine whether an acquisition made is a "business" or a group of assets. According

to the new definition a “business” is: “an integrated group of assets and activities that can be directed and managed for the purpose of providing goods or services to customers, generating income from investments (such as dividends or interest) or generating other income from ordinary activities. The amendments also clarify that, to be considered a business, an acquisition must include an input and a substantial process that together contribute to the ability to create an output.” Companies should apply amendments, at the latest, from the start of their first financial year that begins on or after 1 January 2020.

The adoption of these amendments had no effect on the financial statements at 30 September 2021.

On 28 May 2020, the IASB published an amendment entitled “Covid-19 Related Rent Concessions (Amendment to IFRS 16)”. The document provides for the possibility for lessees to account for the reductions in rent related to Covid-19 without having to assess, through an analysis of contracts, whether the definition of lease modification in IFRS 16 is complied with. Therefore, lessees who apply this option will be able to account for the effects of reductions in rent directly in the income statement on the effective date of the reduction. The amendment was approved on 9 October 2020 with application to financial statements starting on 1 June 2020 and the possibility of early adoption on 1 January 2020. Since the Group operates mainly as a lessor, the introduction of the new amendment did not have any effect on the financial statements at 30 September 2021.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS OF FUTURE EFFECTIVENESS

With reference to the IFRS standards, approved by the IASB and approved for adoption in Europe, whose mandatory effective date is after 31 December 2020, the following is noted.

In May 2020, the document “Amendment to IFRS 4 Insurance Contracts - Deferral of IFRS 9” was published, which extends the expiry of the temporary exemption from the application of IFRS 9 until 2023 in order to align the effective date of IFRS 9 with the new IFRS 17 – Insurance Contracts and thus remedy the temporary accounting consequences that could occur if the two standards were to enter into force on different dates. The date of application is from 1 January 2021.

In August 2020, in light of the reform on interbank interest rates such as IBOR, the IASB published the document “Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Reform of the interest rate benchmark - Step 2” amending IAS 39, IFRS 4, IFRS 7, IFRS 9 and IFRS 16. This amendment is part of the process of reforming interbank rates, which provides for a transition to alternative reference rates. The IASB has therefore redefined the reference indices for determining interest rates in order to take account of the consequences of the reform on financial reporting. The amendment must be applied at the latest from the start of the first financial year beginning on or after 1 January 2021.

Any impacts on the financial statements arising from the aforementioned amendments are still being assessed.

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 2021 and 30 September 2020.

	30.09.2021	30.09.2020	Change
Property	657.404	679.017	(21.613)
Plant and machinery	15.609	8.923	6.686
General equipment	15.411	16.193	(782)
Other property, plant and equipment	898.671	918.501	(19.830)
Total	1.587.095	1.622.634	(35.539)

The table below shows changes in Property, plant and equipment at the reporting dates 30 September 2021 and 30 September 2020, by individual asset category.

	Property	Plant and machinery	General equipment	Other property, plant and equipment	Total property, plant and equipment
Opening balance					
Cost	720.442	19.693	19.050	1.174.843	1.934.028
Amortisation (accumulated amortisation)	(41.425)	(10.770)	(2.858)	(256.342)	(311.395)
Carrying amount	679.017	8.923	16.193	918.501	1.622.634
Changes in the period					
Increases for acquisitions	-	14.800	672	180.741	196.213
Reclassifications (of carrying amount)	-	-	-	-	-
Amortisation in the year	(21.613)	(8.113)	(1.454)	(178.458)	(209.638)
Total changes	(21.613)	6.687	(782)	(19.830)	(35.538)
Closing balance					
Cost	720.442	19.693	19.050	1.174.843	1.934.028
Amortisation (accumulated amortisation)	(63.038)	(18.883)	(4.311)	(434.800)	(521.032)
Carrying amount	657.404	15.610	15.411	898.671	1.587.096

The item “Other property, plant and equipment” increased primarily due to costs mainly incurred for the refurbishment of the viale Umbria 32 showroom, totalling Euro 98 thousand.

Note 2. Intangible assets

The table below shows the breakdown of the item Intangible assets at 30 September 2021 and 30 September 2020.

	30.09.2021	30.09.2020	Change
Development costs	881.365	904.666	(23.301)
Concessions, licences, trademarks and similar rights	392	8.173	(7.781)
Assets under construction and payments on account	504	25.704	(25.200)
Other intangible assets	1.709.666	1.625.331	84.335
Total	2.591.926	2.563.874	28.053

The table below shows changes in Intangible assets at the reporting dates 30 September 2021 and 30 September 2020, by individual asset category.

	Development costs	Concessions, licences, trademarks and similar rights	Intangible assets under construction and payments on account	Other intangible assets	Total intangible assets
Opening balance					
Cost	1.499.304	23.817	25.704	2.433.410	3.982.235
Amortisation (accumulated amortisation)	(594.638)	(15.644)	-	(808.079)	(1.418.361)
Carrying amount	904.666	8.173	25.704	1.625.331	2.563.874
Changes in the period					
Increases for acquisitions	340.741	-	-	603.405	944.146
Reclassifications (of carrying amount)	-	-	(25.200)	25.200	-
Amortisation in the year	(364.042)	(7.781)	-	(544.270)	(916.093)
Total changes	(23.301)	(7.781)	(25.200)	84.335	28.053
Closing balance					
Cost	1.840.045	23.817	504	3.062.015	4.926.381
Amortisation (accumulated amortisation)	(958.680)	(23.425)	-	(1.352.349)	(2.334.454)
Carrying amount	881.365	392	504	1.709.666	2.591.927

The increase in development costs and other intangible assets is due, for an amount equal to Euro 752 thousand to the investment made by the Group in relation to the development and integration of the CRM platform, a management platform for the integration between Revit and Salesforce, an e-commerce platform. These costs refer to services supplied by third parties. Development costs incurred by the Group refer to projects that satisfy the requirements of IAS 38. In addition, the item intangible assets includes:

- the right to use the property leased from the subsidiary Abitare in Development 3 srl, the company's operational offices. The net carrying amount is Euro 1,047 thousand.
- the right to use the property leased and used by the Chairman of the Board of Directors for a net carrying amount of Euro 148 thousand.

Note 3. Equity investments

Note 3.1 Equity investments in subsidiaries

The breakdown and changes of this grouping of items are as follows:

Subsidiaries	Balance at 30.09.2020	Cost incr.(decr.)	Balance at 30.09.2021
Abitare In Development 3 Srl	205.000	-	205.000
Abitare In Development 4 Srl	10.000	200.000	210.000
Abitare In Development 5 Srl	10.000	12.000	22.000
Abitare In Development 6 Srl	10.000	5.000	15.000
Abitare In Development 7 Srl	150.000	-	150.000
Abitare In Maggiolina Srl	1.981.658	-	1.981.658
Accursio Srl	-	500.000	500.000
City Zeden Srl	-	13.000	13.000
Citynow Srl	-	10.000	10.000
Creare Srl	-	10.000	10.000
Deametra Srl	-	10.000	10.000
Homizy SpA	86.000	-	86.000
Immaginare Srl	-	12.000	12.000
Lambrate Twin Palace Srl	10.000	20.000	30.000
Milano City Village Srl	622.000	130.000	752.000
Milano Progetti Srl	620.000	250.000	870.000
Mivivi Srl	10.000	7.000	17.000
MyCity Srl	22.000	30.000	52.000
Palazzo Naviglio Srl	140.000	120.000	260.000
Porta Naviglio Grande Srl	10.000	100.000	110.000
Savona 105 Srl	50.000	160.000	210.000
Smartcity Srl	10.000	13.000	23.000
TheUnits Srl	10.000	18.000	28.000
Trilogy Towers Srl	190.000	200.000	390.000
Volaplana Srl	10.000	6.000	16.000
Ziro Srl	-	10.000	10.000
Totale	4.156.658	1.836.000	5.992.658

During the year, the shareholding in Accursio S.r.l. was acquired and the following companies were established: City Zeden S.r.l., Citynow S.r.l., Creare S.r.l., Deametra S.r.l. and Immaginare S.r.l. The increase in the shareholdings of the other companies is due to the waiver of the loan to cover losses.

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 30.09.2020	Profit (loss) for the year	Share capital	Equity as at 30.09.2021	Profit (loss) for the year	%	% exercisable voting rights	Amount allocated in the financial statements at cost
Abitare In Development 3 Srl	Milan	10.000	30.102	13.082	10.000	38.462	8.359	100%	100%	205.000
Abitare In Development 4 Srl	Milan	10.000	1.567	11.769	10.000	30.899	(180.870)	100%	100%	210.000
Abitare In Development 5 Srl	Milan	10.000	10.493	276	10.000	12.143	(10.350)	100%	100%	22.000
Abitare In Development 6 Srl	Milan	10.000	10.841	531	10.000	13.036	(2.805)	100%	100%	15.000
Abitare In Development 7 Srl	Milan	10.000	13.034	2.271	10.000	6.062.476	6.049.443	100%	100%	150.000
Abitare In Maggiolina Srl	Milan	100.000	9.481.381	6.303.936	100.000	4.427.532	1.045.970	100%	100%	1.981.658
Accursio Srl	Milan	10.000	5.761	(4.239)	10.000	16.373	612	100%	100%	500.000
City Zeden Srl	Milan	-	-	-	10.000	11.287	(1.713)	100%	100%	13.000
Citynow Srl	Milan	-	-	-	10.000	10.000	-	100%	100%	10.000
Creare Srl	Milan	-	-	-	10.000	10.193	193	100%	100%	10.000
Deametra Srl	Milan	-	-	-	10.000	10.578	578	100%	100%	10.000
Homizy SpA	Milan	97.250	4.488.750	(135.445)	97.250	4.178.060	(273.745)	88,44%	88,44%	86.000
Immaginare Srl	Milan	-	-	-	10.000	11.433	(567)	100%	100%	12.000
Lambrate Twin Palace Srl	Milan	10.000	11.119	548	10.000	11.656	(19.463)	100%	100%	30.000
Milano City Village Srl	Milan	10.000	21.451	5.368	10.000	24.308	(127.143)	100%	100%	752.000
Milano Progetti Srl	Milan	10.000	25.727	11.181	10.000	39.882	(235.845)	100%	100%	870.000
Mivivi Srl	Milan	10.000	10.760	319	10.000	13.088	(4.672)	100%	100%	17.000
MyCity Srl	Milan	10.000	11.804	550	10.000	16.374	(25.429)	100%	100%	52.000
Palazzo Naviglio Srl	Milan	10.000	17.102	4.751	10.000	20.004	(117.098)	100%	100%	260.000
Porta Naviglio Grande Srl	Milan	10.000	10.695	695	10.000	16.454	(84.724)	100%	100%	110.000
Savona 105 Srl	Milan	10.000	12.252	1.705	10.000	20.010	(152.243)	100%	100%	210.000
Smartcity Srl	Milan	10.000	10.424	424	10.000	10.864	(12.560)	100%	100%	23.000
TheUnits Srl	Milan	10.000	11.203	1.203	10.000	11.220	(17.983)	100%	100%	28.000
Trilogy Towers Srl	Milan	10.000	13.618	1.539	10.000	34.612	(178.998)	100%	100%	390.000
Volaplana Srl	Milan	10.000	11.218	1.218	10.000	13.606	(3.612)	100%	100%	16.000
Ziro Srl	Milan	-	-	-	10.000	10.000	-	100%	100%	10.000
Total amount allocated in the financial statements										5.992.658

With reference to equity investments, no adjustment was made to the carrying value of equity investments, in consideration of the fact that no impairment indicators have emerged.

Note 3.2 Equity investments in other companies

The composition and movements of this group of entries are as follows:

Other companies	Balance at 30.09.2020	Cost incr.(decr.)	Balance at 30.09.2021
Tecma Solutions S.p.A.	2.296.000	2.071.720	4.367.720
BCC	-	2.974	2.974
Total	2.296.000	2.074.694	4.370.694

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 4,368 thousand.

The carrying amount increased by €2,071 thousand due to the revaluation generated by the alignment of the carrying amount to fair value at 30 September 2021 as the asset is classified as Financial assets at fair value through profit or loss (FVTPL). The quoted value at 30 September 2021 of EUR 7.6 per share was used as the fair value benchmark.

The residual amount of Euro 3 thousand relates to shareholdings held in Banca di Credito Cooperativo.

Note 4. Non-current financial liabilities

The breakdown and changes in non-current financial assets are as follows:

Subsidiaries	Opening position			Change in period			Closing position		
	Non-current financial assets	Provision for impairment	Balance at 30.09.2020	Incr.(decr.) financial receivables	Reclassification of provision for impairment	Reversal (impairment)	Non-current financial assets	Provision for impairment	Balance at 30.09.2021
Abitare In Development 3 Srl	1.131.259	-	1.131.259	-	-	-	1.131.259	-	1.131.259
Abitare In Development 4 Srl	2.518.010	-	2.518.010	1.884.379	-	-	4.402.389	-	4.402.389
Abitare In Development 5 Srl	57.310	-	57.310	2.478.000	-	-	2.535.310	-	2.535.310
Abitare In Development 6 Srl	1.207.698	-	1.207.698	(41.800)	-	-	1.165.898	-	1.165.898
Abitare In Development 7 Srl	1.948.812	-	1.948.812	(1.890.000)	-	-	58.812	-	58.812
Accursio Srl	-	-	-	5.000	-	-	5.000	-	5.000
City Zeden Srl	-	-	-	823.000	-	-	823.000	-	823.000
Deametra Srl	-	-	-	963.000	-	-	963.000	-	963.000
Immaginare Srl	-	-	-	498.000	-	-	498.000	-	498.000
Lambrate Twin Palace Srl	522.000	-	522.000	1.863.000	-	-	2.385.000	-	2.385.000
Milano City Village Srl	6.158.600	-	6.158.600	(130.000)	-	-	6.028.600	-	6.028.600
Milano Progetti Srl	9.870.711	-	9.870.711	(627.000)	-	-	9.243.711	-	9.243.711
Mivivi Srl	603.994	-	603.994	1.169.000	-	-	1.772.994	-	1.772.994
MyCity Srl	1.821.337	-	1.821.337	102.000	-	-	1.923.337	-	1.923.337
Palazzo Naviglio Srl	1.605.500	-	1.605.500	(119.700)	-	-	1.485.800	-	1.485.800
Porta Naviglio Grande Srl	825.000	-	825.000	3.944.500	-	-	4.769.500	-	4.769.500
Richard Srl	-	-	-	39.000	-	-	39.000	-	39.000
Savona 105 Srl	2.681.000	-	2.681.000	539.912	-	-	3.220.912	-	3.220.912
Smartcity Srl	500	-	500	2.303.222	-	-	2.303.722	-	2.303.722
TheUnits Srl	-	-	-	278.000	-	-	278.000	-	278.000
Trilogy Towers Srl	1.884.396	-	1.884.396	(200.000)	-	-	1.684.396	-	1.684.396
Volaplana Srl	-	-	-	514.000	-	-	514.000	-	514.000
Total	32.836.127	-	32.836.127	14.395.513	-	-	47.231.640	-	47.231.640

Non-current financial assets consist of loans granted to subsidiaries and are interest-bearing.

Note 5. Deferred tax assets and liabilities

Deferred tax assets as at 30 September 2021 amount to Euro 266 thousand, mainly relating to temporary differences on the temporary differences between the accounting and tax values of intangible assets for Euro 133 thousand for some real estate and on the provision for employee bonuses for Euro 115 thousand.

Note 6. Trade receivables

Trade receivables amount to Euro 1 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 15,549 thousand (Euro 16,550 thousand as at 30 September 2020) and includes:

	30.09.2021	30.09.2020	Change
Receivables for interest on interest-bearing loans	1.800.338	1.699.485	100.853
Receivables for CNM	2.828.393	2.050.567	777.826
Trade receivables	7.970.189	9.827.860	(1.857.671)
Miscellaneous receivables	2.949.975	2.972.578	(22.603)
Total	15.548.895	16.550.490	(1.001.595)

CNM receivables consist of the assumption by Abitare IN 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. Other current assets

Other current assets amounted to Euro 1,324 thousand (Euro 1,201 thousand at the end of the previous reporting period).

This item mainly consists of the down payment of Euro 662 thousand for the purchase without recourse, from Banco BPM, of the receivable from Immobiliare Tacito of a nominal amount of Euro 11,000 thousand. The receivable is secured by a mortgage on the property situated in Milan, via Tacito, near the other two real estate complexes owned by the subsidiaries Milano City Village s.r.l. and Milano Progetti s.r.l..

It also includes, for Euro 369 thousand, prepayments and accrued income, mainly relating to software licenses and insurance premiums.

Note 9. Current tax assets

Current tax assets (Euro 2,568 thousand) mainly refer to the VAT receivable (Euro 2,512 thousand).

Note 10. Cash and cash equivalents

The table below shows the breakdown of cash and cash equivalents as at 30 September 2021 and 30 September 2020.

	30.09.2021	30.09.2020	Change
Bank and postal accounts	1.058.724	6.180.185	(5.121.461)
Cash-in-hand and cash equivalents	75	349	(274)
Cash and cash equivalents	1.058.799	6.180.534	(5.121.735)

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 2021 are unrestricted and not tied to a particular use.

Note 11. Equity

Equity has increased due to the recognition of the change in the OCI reserve and in profit for the period.

OCI reserve

The item in question shows a negative value of Euro 82 thousand (negative for Euro 45 thousand as at 30 September 2020) 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 value of Euro 15 thousand.
- 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 value of Euro 67 thousand (negative for Euro 45 thousand as at 30 September 2020).

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).

Note 12. Current and non-current financial liabilities

The table below shows the breakdown of non-current financial liabilities at 30 September 2021 and 30 September 2020.

	30.09.2021			30.09.2020			Change
	non-current portion	current portion	Total	non-current portion	current portion	Total	
Medium/long-term bank loans	14.202.627	1.401.865	15.604.492	5.933.541	8.820.618	14.754.159	850.333
Short-term bank loans	-	-	-	-	-	-	-
Other financial payables	1.578.409	8.938.999	10.517.409	1.556.743	5.055.204	6.611.947	3.905.462
Total	15.781.036	10.340.864	26.121.901	7.490.284	13.875.822	21.366.106	4.755.795

loan type (Euro/000)	Amount disbursed/ approved	Underwriting date	End date	Paya within the next financial year	Payable beyond next financial year	Total payable	Mortgage on real estate/ guarantees	Covenants
Loan	1.300	16.07.2019	31.12.2023	433	546	979	n/a	No
Loan	5.200	23.09.2020	23.09.2025	951	4.220	5.171	n/a	Yes
Loan	4.500	20.05.2021	31.05.2025	-	4.482	4.482	n/a	Yes
Loan	5.000	29.07.2021	29.07.2023	18	4.954	4.972	n/a	No
Total				1.402	14.203	15.604		

Below is a summary table of the financial covenants provided for in some of the loan agreements of Abitare In:

Loan	Frequency and date of last calculation	Parameter	Limit	Parameter at last reporting date
Abitare In S.p.A. (BPER)	Financial year (30/09/2021)	consolidated net financial debt/consolidated equity	≤ 1,75	1,04
Abitare In S.p.A. (BPER)	Financial year (30/09/2021)	net financial debt in financial statements/equity in financial statements	≤ 0,75	0,48
Abitare In S.p.A. (BCC)	Financial year (30/09/2021)	Consolidated net financial debt/consolidated Ebitda Adj.	≤ 3,75	3,54
Abitare In S.p.A. (BCC)	Financial year (30/09/2021)	consolidated net financial debt/consolidated equity	≤ 1,75	1,04

As at 30 September 2021 the financial covenants had been fully complied with.

The item "Other financial payables" mainly includes the financial payable to the leasing company in relation to the purchase of the property located at Via Amadeo, 57 (Euro 435 thousand), the financial payable for the leaseback agreement entered into with BNL in relation to office equipment (Euro 103 thousand) and the financial liability.

Note 12.1 Net financial position

	Net Financial Position 30.09.2021 amounts in Euro	Abitare In S.p.A. 30.09.2021	Abitare In S.p.A. 30.09.2020	Change
A. Cash and cash equivalents		1.058.799	6.180.535	(5.121.736)
B. Means equivalent to cash and cash equivalents		-	-	-
C. Other current financial assets		1.800.338	1.699.485	100.853
D. Liquidity (A) + (B) + (C)		2.859.137	7.880.020	(5.020.883)
E. Current financial payables		1.401.865	8.820.618	(7.418.753)
F. Current portion of non-current debt		8.939.999	5.055.204	3.884.795
G. Current financial debt (E) + (F)		10.341.864	13.875.822	(3.533.958)
H. Net current financial debt (G) - (D)		7.482.727	5.995.802	1.486.925
I. Non-current financial payables		14.202.626	5.933.541	8.269.085
J. Debt instruments		-	-	-
K. Trade payables and other non-current payables		1.578.409	1.556.743	21.666
L. Non-current financial debt (I) + (J) + (K)		15.781.035	7.490.284	8.290.751
M. Total financial debt (H) + (L)		23.263.762	13.486.086	9.777.676

As required by IAS 7 paragraph 44A-44E, the table below summarises the changes in the liabilities arising from the loan:

	30.09.2020	Changes arising from cash flows		Changes arising from non-cash flows		30.09.2021
		Changes in the share capital	Changes in interest rates	Changes in fair value	Other changes	
Payables to banks	14.754.159	893.111	17.566	-	(59.345)	15.605.491
Other financial liabilities	6.611.947	3.889.998	-	-	15.464	10.517.409
Total	21.366.106	4.783.109	17.566	-	(43.881)	26.122.900

Note 13. Employee benefits

Pursuant to IAS 19R, the main economic-financial assumptions used in the actuarial valuations are detailed below:

	30.09.2021	30.09.2020
Annual inflation rate	1,00%	1,00%
Technical annual discount rate	0,70%	0,60%
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 2020	244.124
Financial expenses	1.302
Advances paid and settlements	(59.368)
Accruals	102.296
Actuarial gains (losses)	31.577
Balance at 30 September 2021	319.931

Note 14. Other non-current liabilities

As at 30 September 2021, the item “Other non-current liabilities” consisted of the severance indemnity reserve (Euro 253 thousand) and the provision for risks (Euro 19 thousand), related to the negative mark to market of the cash flow hedge derivatives.

The following changes were recorded in the directors’ severance indemnity reserve:

Balance at 30 September 2020	201.445
Financial expenses	1.209
Advances paid and settlements	-
Accruals	52.547
Actuarial gains (losses)	(2.442)
Balance at 30 September 2021	252.759

Note 15. Trade payables

Trade payables amounted to Euro 1,552 thousand (Euro 1,060 thousand as at 30 September 2020) and are recognised at nominal value. All payables fall due within the next year. The payables represent the amounts due for the provision of services and consultancy, remuneration and miscellaneous supplies. There are no significant payables in currencies other than the Euro.

Note 16. Payables to subsidiaries

They totalled Euro 4,678 thousand (Euro 2,531 thousand as at 30 September 2020) and include:

	30.09.2021	30.09.2020	Change
CNM payables	687.621	522.491	165.130
Group VAT payables	3.630.248	415.996	3.214.252
Trade payables	284.007	271.665	12.342
Miscellaneous payables	76.334	1.321.203	(1.244.869)
Total	4.678.210	2.531.355	2.146.855

CNM payables consist of the assumption by Abitare IN S.p.A., as the tax consolidating entity, of the tax income generated by the subsidiaries.

Trade payables mainly refer to the payable to the subsidiary Abitare in Development 3 S.r.l. to lease the property for the Parent Company's operational offices.

Note 17. Other current liabilities

The table below shows the breakdown of other current liabilities at 30 September 2021 and 30 September 2020.

	30.09.2021	30.09.2020	Change
Other provisions for risks and charges	424.000	280.000	144.000
Other payables	509.745	277.944	231.801
Accrued expenses and prepaid income	126.739	198.351	(71.612)
Social security contributions payable	50.683	51.129	(446)
Other current liabilities	1.111.167	807.424	303.743

Other provisions for risks and charges refer to the allocation of employee bonuses.

Other payables consist mainly of payables for deferred remuneration for Euro 274 thousand.

Note 18. Current tax liabilities

Current tax liabilities (Euro 224 thousand) mainly refer to the IRES tax payable of Euro 193 thousand.

NOTES TO KEY ITEMS IN THE INCOME STATEMENT**Note 19. Revenue**

Total revenue amounts to Euro 9,681 thousand at 30 September 2021 (Euro 8,686 thousand at 30 September 2020). The change is mainly due to the increase in the item “Revenue from services”.

Note 19.1 Revenue from Services

Revenue from services of Euro 8,993 thousand relates to the invoicing of services to subsidiaries. With regard to inter-group policies for invoicing services during the FY 2021, 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 19.2 Other revenue

Other revenue of Euro 688 thousand mainly consists of chargebacks of costs pertaining to subsidiaries of Euro 422 thousand and revenue accrued on tax credits for Research & Development of services (Euro 60 thousand).

Note 20. Operating expenses

At 30 September 2021 it amounted to Euro 11,839 thousand and mainly includes costs for services.

Note 20.1 Services

Costs for services break down as follows:

	30.09.2021	30.09.2020	Change
Legal, notarial and administrative consultancy	701.127	307.426	393.701
Technical consultancy professionals	978.727	525.189	453.538
Press Office	89.341	108.373	(19.032)
Directors' remuneration	2.687.899	267.393	2.420.506
Statutory auditors, auditing firm and supervisory body	300.863	48.808	252.055
Marketing and advertising	956.833	724.371	232.462
Software licensing fee	349.975	290.277	59.698
Research, education and training	41.142	52.583	(11.441)
Insurance	101.723	60.321	41.402
Utilities	95.102	74.788	20.314
Miscellaneous costs recharged to subsidiaries	266.299	767.626	(501.327)
Other	1.105.743	1.087.156	18.587
Total	7.674.773	4.314.311	3.360.462

As at 30 September 2021, Directors' remuneration includes the costs related to the stock grant plan amounting to Euro 2,380 thousand.

Note 20.2 Personnel expenses

The breakdown of personnel expenses is as follows:

	30.09.2021	30.09.2020	Change
Wages and salaries	1.465.625	2.707.739	(1.242.115)
Social security costs	478.703	440.911	37.792
Severance indemnity reserve (TFR)	102.296	100.134	2.162
Other expenses	12.440	14.827	(2.386)
Total personnel expenses	2.059.064	3.263.610	(1.204.546)

At 30 September 2020, personnel expenses included the costs related to the stock grant plan, whose beneficiaries are the employees for a value of Euro 1,221 thousand.

Note 20.3 Depreciation/Amortisation

The breakdown of "Depreciation/amortisation" is as follows:

	30.09.2021	30.09.2020	Change
Amortisation of intangible assets	916.093	744.399	171.695
Depreciation of property, plant and equipment	209.638	149.704	59.934
Total amortisation/depreciation	1.125.731	894.102	231.629

The increase in depreciation/amortisation mainly reflects the incremental investments made in Development by the parent company Abitare In S.p.A..

Note 20.4 Impairment losses and provisions

The item "Impairment losses and provisions" consists equal to Euro 53 thousand accrual to the directors' severance indemnity reserve and the provision of the employee bonus equal to Euro 424 thousand.

Note 20.5 Other operating expenses

Other operating expenses amount to Euro 348 thousand and mainly include subscriptions and membership fees and various losses.

Note 21. Financial income and expenses

Financial income as at 30 September 2021 amounted to Euro 8,983 thousand and referred mainly to the re-measurement at fair value of the equity investment in Tecma Solution S.p.A., amounting to Euro 2,071 thousand, the dividend distributed by the subsidiary Abitare in Maggiolina Srl, and the interest accrued on medium/long-term loans disbursed to the subsidiaries for Euro 812 thousand.

Financial expenses amount to Euro 317 thousand arising from payables to banks.

Note 22. Income taxes

The table below shows the breakdown of income taxes at 30 September 2021 and 30 September 2020.

	30.09.2021	30.09.2020	Change
Current	(320.741)	237.341	(558.082)
Deferred	69.740	55.833	13.907
Total amortisation/depreciation	(251.001)	293.174	(544.175)

The reconciliation between the actual tax liability recognised in the financial statements and the theoretical tax liability, determined for IRES and IRAP taxes and based on the theoretical tax rate, is as follows:

IRES tax	%	2021	2020
EBT		6.509.144	859.194
Theoretical tax liability (%)	24%	1.562.195	206.207
Increases:			
IMU TAX		2.680	3.018
Unpaid remuneration and employee bonuses		450.741	280.000
Other increases		180.511	249.853
Total		633.932	532.871
Decreases:			
Paid remuneration and employee bonuses		224.400	-
Dividends and revaluations		7.866.720	-
Deduction for prior losses, ACE (aid to economic growth), IRAP tax and contributions		124.383	109.969
Other decreases		488.144	605.381
Total		8.703.647	715.350
IRES tax base		(1.560.571)	676.715
IRES tax pertaining to the period		(374.537)	162.412

IRAP tax		2021	2020
Difference between income and costs not considered for IRAP tax purposes		2.864.911	2.332.259
Theoretical tax liability (%)	5,57%	159.576	129.907
Increases:			
Costs for collaborators and directors		343.353	327.792
IMU TAX		5.153	3.018
Other increases		557.159	523.399
Total		905.665	854.209
Decreases			
Grants for the year		70.337	60.105
Tax wedge deductions		2.114.107	1.685.652
Other decreases		620.327	95.481
Total		2.804.771	1.841.238
IRAP tax base		965.805	1.345.230
IRAP tax pertaining to the period*		*53.795	**74.929

* net of the amount pursuant to Law Decree 34/2020 equal to Euro 61,113

** net of the amount pursuant to Law Decree 34/2020 equal to Euro 364,824

Note 23. 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.

See the summary table of the relationships maintained during the year, reported in the notes to the consolidated financial statements.

Other related-party transactions

Total remuneration for the period of directors, statutory auditors and key managers of the Group amounted to Euro 2,987 thousand and is detailed in the table below:

	30.09.2021
Directors' remuneration	2.687.899
Directors' Severance Indemnity Reserve (TFM)	52.547
Statutory Auditors' remuneration	46.800
Remuneration of executive with strategic responsibilities	200.000
Total	2.987.246

Commitments and guarantees provided by the Group

Oltre a quanto riportato nel bilancio consolidato, si elencano di seguito le garanzie rilasciate da Abitare In per conto delle controllate in favore degli istituti di credito:

Company	amount guaranteed	date of issue	type of guarantee
AID 3 S.r.l.	2.422.266 €	22.06.2018	loan repayment guarantee
Milano Progetti S.r.l.	9.140.000 €	23.12.2020	subordination of shareholder financing
MCV	8.100.000 €	31.07.2018	loan repayment guarantee
Trilogy Towers S.r.l.	19.700.000 €	28.02.2019	loan repayment guarantee
AID 7 S.r.l.	1.673.812 €	28.05.2020	subordination of shareholder financing
AID 4 srl	4.700.000 €	26.11.2020	comfort letter of EUR 4.7m, pledge on shares in AID4
Savona 105 S.r.l.	10.950.000 €	03.12.2020	loan repayment guarantee
Porta Naviglio Grande S.r.l.	3.650.000 €	17.12.2020	loan repayment guarantee
Lambrate Twin Palace srl	3.300.000 €	25.05.2021	comfort letter (€3.3m) and subordination of €2m loan
Accursio srl	150.000 €	22.07.2021	pledge on Accursio shares to secure payment of 150k
AID5 srl	8.300.000 €	02.08.2021	loan repayment guarantee
My City Srl	2.500.000 €	17.05.2019	loan repayment 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 2021, based on the level that reflects the inputs used to determine their fair value:

(In Euro)		As at 30.09.2021			
	Note	Carrying amount	Level 1	Level 2	Level 3
Assets					
Equity investments in subsidiaries	3	5.992.658	-	-	5.992.658
Equity investments in other companies	3	4.370.694	4.370.694	-	-
Trade receivables	6	976	-	-	976
Receivables from subsidiaries	7	15.548.895	-	-	15.548.895
Other current assets	8	1.324.760	-	-	1.324.760
Cash and cash equivalents	10	1.058.799	1.058.799	-	-
Liabilities					
Non-current financial liabilities	12	15.781.035	15.781.035	-	-
Other non-current liabilities	14	272.270	-	-	272.270
Current financial liabilities	12	10.340.864	10.340.864	-	-
Customer down payments and deposits	15	1.551.940	-	-	1.551.940
Trade payables	16	4.678.210	-	-	4.678.210
Other current liabilities	17	1.111.167	-	-	1.111.167

Contingent liabilities and main pending litigations

See the Interim report on operations.

Fees paid to the Auditing Firm

The table below shows the breakdown of the fees recognised for the six months ended 31 March 2021 for auditing services and other services supplied by the Auditing Firm BDO S.p.A.

amount in thousands of Euro	30.09.2021
Statutory audit	70
other services	150
Total	220

PROPOSAL TO APPROVE THE FINANCIAL STATEMENTS AND THE ALLOCATION OF THE PROFIT FOR THE YEAR AS AT 30 SEPTEMBER 2021

Dear Shareholders, in submitting the Financial Statements for the year ended 30 September 2021 for your approval, we propose that the profit for the year of Euro 6,760,145 be carried forward.

DECLARATION OF THE FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF LEGISLATIVE DECREE 58/1998 (CONSOLIDATED FINANCEACT).

1. We, the undersigned, Luigi Francesco Gozzini and Cristiano Contini, acting respectively as Chief Executive Officer and Executive Responsible for Corporate Accounting Information for Abitare In S.p.A., taking into account the provisions of article 154-bis, paragraphs 3 and 4 of Law 58/98, certify:
 - the adequacy, by reference to the characteristics of the business;
 - the effective application of the administrative and accounting procedures for the preparation of the Financial Statements at 30 September 2021.
2. We also certify that:
 - 2.2 The Financial Statements at 30 September 2021:
 - 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 19 July 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, 3 December 2021

Luigi Francesco Gozzini
(CEO)

Cristiano Contini
(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, 2021

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.



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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, 2021, 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, 2021 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.

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Palermo, Roma, Torino, Verona

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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 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, 2021, 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, 2021 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, 2021 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, 2021

BDO Italia S.p.A.

Signed by

Manuel Coppola
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.

ATTACHMENT TO THE FINANCIAL STATEMENTS

Effects of the adoption of ias/ifrs on the statement of financial position as at 1 october 2019

First-time application of IFRS

These financial statements at 30 September 2021 are the first IFRS financial statements prepared by the Company.

Until 30 September 2020, the Company prepared its financial statements in accordance with Italian accounting standards. The Company prepared its financial statements in accordance with Italian accounting standards as at 30 September 2021 and indicated the comparative data as at 30 September 2020, as described in the preparation criteria.

The date of first-time adoption of the international accounting standards was 1 October 2016, which corresponds to the date of applying the IFRS financial statements for the consolidated financial statements of the Abitare In Group.

This section describes the main adjustments made by the Company to resubmit the financial statements prepared in accordance with the Italian accounting standards from the date of conversion, to 1 October 2019 and 30 September 2020.

These notes provide the information required by IFRS 1 and, specifically, a description of the impacts that the transition to the IFRS has had on the Abitare In S.p.A.'s financial position and earnings.

To this end, the following have been provided:

- a statement of reconciliation between the Abitare In S.p.A.'s statements of financial position at 1 October 2019 (Date of Transition) and 30 September 2020 (end date of the last financial statements based on the previously applicable accounting standards) drawn up in accordance with the previously applicable accounting standards and those drawn up in accordance with the IFRS;
- a statement of reconciliation between the statement of comprehensive income at 30 September 2020 drawn up in accordance with the previously applicable accounting standards and that drawn up in accordance with the IFRS;
- a statement of reconciliation between equity at 1 October 2019 and 30 September 2020, determined in accordance with the previously applicable accounting standards, and equity determined in accordance with the IFRS;
- a statement of reconciliation between net comprehensive income at 30 September 2020, determined in accordance with the previously applicable accounting standards, and net comprehensive income determined in accordance with the IFRS;
- explanatory notes on any adjustments and reclassifications included in the aforementioned statements of reconciliation, describing any material impacts that the transition has had on the classification and measurement of the items of the financial statements and any ensuing effects on the Group's earnings, cash flows and financial position.

The statement of financial position at the Date of Transition to IFRS was drawn up in accordance with the following criteria:

- all assets and liabilities whose recognition is required by the IFRS have been recognised;
- assets or liabilities whose recognition is not allowed by the IFRS have not been recognised;
- the IFRS have been applied in the measurement of all assets and liabilities recognised.

Accounting treatment chosen among the options provided for in the IFRS

The IFRS provide for a number of accounting options. Those chosen by Abitare in S.p.A. are:

- Measurement of property, plant and equipment and intangible assets: after initial recognition at cost, IAS 16 - Property, Plant and Equipment, Par. 29, and IAS 38 - Intangible Assets, Par. 72, provide that property, plant and equipment and intangible assets that have an active market can be measured at cost, less any accumulated depreciation/amortisation and impairment losses, or measured by periodically determining the market value and adjusting the carrying amount to that value (Revaluation Model). Abitare In S.p.A. has opted to maintain cost as the measurement method for property, plant and equipment and intangible assets.

Statement of financial position at 1 October 2019

The table below shows reconciliation between Abitare In S.p.A.'s statement of financial position at 1 October 2019, prepared in accordance with the Italian Accounting Standards and reclassified on the basis of the criteria chosen by Abitare In S.p.A. for the IFRS financial statements, and the statement of financial position prepared in accordance with the IFRS.

	Balance sheet and financial situation as of 01.10.2019 prepared in accordance with Italian accounting principles	IFRS adjustments / reclassifications	Statement of financial position as at 01.10.2019 prepared in accordance with IFRS
Intangible assets	2.378.335	378.049	2.756.384
Property, plant and equipment	684.108	700.630	1.384.738
Equity investments in subsidiaries	3.105.658	-	3.105.658
Equity investments in other companies	1.006.000	-	1.006.000
Non-current financial assets	29.182.453	-	29.182.453
Prepaid taxes	-	363.043	363.043
TOTAL NON-CURRENT ASSETS	36.356.554	1.441.722	37.798.276
Trade receivables	976	-	976
Receivables from subsidiaries	6.333.287	-	6.333.287
Other current assets	1.913.985	(159.231)	1.754.754
Current tax assets	539.927	-	539.927
Financial assets that are not fixed assets	156.760	-	156.760
Cash and cash equivalents	6.941.047	-	6.941.047
TOTAL CURRENT ASSETS	15.885.982	(159.231)	15.726.751
TOTAL ASSETS	52.242.536	1.282.491	53.525.027
Share capital	127.728	-	127.728
Reserves	37.014.933	(1.337.450)	35.677.483
Previous years' profit (loss)	943.874	356.121	1.299.995
Operating profit	282.065	22.329	304.394
EQUITY	38.368.600	(959.000)	37.409.600
Non-current financial liabilities	11.066.613	1.866.144	12.932.757
Employee benefits	91.395	28.840	120.235
Other non-current liabilities	148.926	(8.645)	140.281
Payables for deferred tax liabilities	-	(4.848)	(4.848)
TOTAL NON-CURRENT LIABILITIES	11.306.934	1.881.491	13.188.425
Current financial liabilities	18.642	374.774	393.416
Trade payables	1.000.178	-	1.000.178
Payables to subsidiaries	731.079	-	731.079
Other current payables and liabilities	636.680	(14.774)	621.906
Current tax liabilities	180.423	-	180.423
TOTAL CURRENT LIABILITIES	2.567.002	360.000	2.927.002
TOTAL LIABILITIES	13.873.937	2.241.491	16.115.428
TOTAL LIABILITIES AND EQUITY	52.242.536	1.282.491	53.525.027

Statement of financial position at 30 September 2020

The table below shows reconciliation between Abitare In S.p.A.'s statement of financial position at 30 September 2020, prepared in accordance with the Italian Accounting Standards and reclassified on the basis of the criteria chosen by Abitare In S.p.A. for the IFRS financial statements, and the statement of financial position prepared in accordance with the IFRS.

	Balance sheet and financial situation as at 30.09.2020 prepared in accordance with Italian accounting principles	IFRS adjustments / reclassifications	Statement of financial position at 30.09.2020 prepared in accordance with IFRS
Intangible assets	2.121.732	492.307	2.614.040
Property, plant and equipment	798.788	773.679	1.572.467
Equity investments in subsidiaries	4.156.658	-	4.156.658
Equity investments in other companies	1.006.000	1.290.000	2.296.000
Non-current financial assets	32.836.127	-	32.836.127
Prepaid taxes	67.200	256.703	323.903
TOTAL NON-CURRENT ASSETS	40.986.506	2.812.690	43.799.196
Trade receivables	1.626	-	1.626
Receivables from subsidiaries	16.550.490	-	16.550.490
Other current assets	1.381.283	(179.997)	1.201.287
Current tax assets	-	-	-
Financial assets that are not fixed assets	-	-	-
Cash and cash equivalents	6.180.535	-	6.180.535
TOTAL CURRENT ASSETS	24.113.934	(179.997)	23.933.938
TOTAL ASSETS	65.100.440	2.632.693	67.733.133
Share capital	129.677	-	129.677
Reserves	37.029.037	(155.477)	36.873.560
Previous years' profit (loss)	1.209.886	380.399	1.590.285
Operating profit	180.662	385.358	566.020
EQUITY	38.549.261	610.280	39.159.542
Non-current financial liabilities	5.968.782	1.521.503	7.490.285
Employee benefits	177.517	66.607	244.124
Other non-current liabilities	190.481	10.964	201.445
Payables for deferred tax liabilities	-	-	-
TOTAL NON-CURRENT LIABILITIES	6.336.780	1.599.074	7.935.854
Current financial liabilities	13.452.484	423.338	13.875.822
Trade payables	1.059.982	-	1.059.982
Payables to subsidiaries	2.531.355	-	2.531.355
Other current payables and liabilities	807.425	-	807.425
Current tax liabilities	2.363.153	-	2.363.153
TOTAL CURRENT LIABILITIES	20.214.398	423.338	20.637.736
TOTAL LIABILITIES	26.551.179	2.022.412	28.573.591
TOTAL LIABILITIES AND EQUITY	65.100.440	2.632.692	67.733.133

Statement of comprehensive income at 30 September 2020

The table below shows reconciliation between Abitare In S.p.A.'s statement of comprehensive income at 30 September 2020, prepared in accordance with the Italian Accounting Standards and reclassified on the basis of the criteria chosen by Abitare In S.p.A. for the IFRS financial statements, and the statement of comprehensive income prepared in accordance with the IFRS.

	Economic situation as at 30.09.2020 prepared in accordance with Italian accounting principles	IFRS adjustments / reclassifications	Economic situation as at 30.09.2020 prepared in accordance with IFRS
Revenue for services	7.671.743	-	7.671.743
Other revenue	1.039.205	(25.446)	1.013.759
TOTAL REVENUE	8.710.948	(25.446)	8.685.502
Raw materials, semi-finished products and other materials purchased	147.010	-	147.010
Services	4.314.311	-	4.314.311
Rentals and similar	528.420	(423.778)	104.642
Services	4.989.741	(423.778)	4.565.963
Personnel expenses	2.038.556	1.225.054	3.263.610
Depreciation/Amortisation	964.154	(70.051)	894.102
Impairment losses and provisions	321.555	2.511	324.066
Other operating expenses	368.414	(21.388)	347.026
TOTAL OPERATING EXPENSES	8.682.420	712.348	9.394.767
EBIT	28.528	(737.794)	(709.265)
Financial income	705.764	(1.290.000)	1.995.764
Financial expenses	383.490	43.815	427.305
EBT	350.803	(508.391)	859.194
Income taxes	170.141	123.033	293.174
Profit (loss) for the year from operating activities	180.662	(385.358)	566.020
Profit (loss) for the year	180.662	(385.358)	566.020
Other components of comprehensive income			
Which will not be subsequently reclassified in the result for the year			
Employee benefits	-	49.357	49.357
Tax effect	-	(11.845)	(11.845)
Total	-	37.512	37.512
Result of the overall period	180.662	(347.846)	528.508

Equity at 1 October 2019 and 30 September 2020 and net comprehensive income at 30 September 2020

The table below shows reconciliations between Abitare In S.p.A.'s equity at 1 October 2019 and 30 September 2020 and the net comprehensive income at 30 September 2020, determined in accordance with the Italian Accounting Standards, and the corresponding figures determined in accordance with the IFRS.

		Net Equity at 01.10.2019
Note	Italian accounting principles	38.368.600
1	Transaction cost	(1.442.736)
2	Employee benefits	(15.347)
3	Leasing e leaseback	19.186
4	Stock grant	-
5	Property rental	(12.584)
6	Taxes	492.481
IFRS		37.409.600

		Overall operating result at 30.09.2020	Equity at 30.09.2020
Note	Italian accounting principles	180.662	38.549.261
1	Transaction cost	451.438	(743.333)
2	Employee benefits	(57.376)	(42.260)
3	Leasing e leaseback	7.623	26.809
4	Stock grant	(1.221.434)	-
5	Revaluation of equity investment at fair value	1.290.000	1.290.000
6	Property rental	(11.218)	(21.815)
7	Taxes	(111.188)	100.879
IFRS		528.508	39.159.542

Notes to the statements of reconciliation of the Group's financial position, earnings and cash flows at 1 October 2019 and 30 September 2020 and to the net comprehensive income at 30 September 2020

The following notes describe the adjustments made to the financial position and financial performance figures at 1 October 2019 and 30 September 2020 to reflect the adoption of the IFRS.

The related tax effect, where applicable, has been recognised for each of the adjustments described below.

1) Transaction cost

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are marginal costs directly attributable to the equity transaction.

2) Employee benefits

In accordance with the Italian Accounting Standards, post-employment benefits are recognised on an accrual basis during the employment relationship, in compliance with the relevant legislation and employment contracts.

Post-employment benefits (e.g. pensions, life insurance, health insurance, etc.) are defined in the IFRS (IAS 19R) either as "defined contribution" or "defined benefit" plans.

The severance indemnity reserve (Trattamento di Fine Rapporto, hereinafter "TFR") is a post-employment severance indemnity that, until 31 December 2006, was equivalent to a defined benefit plan subject to measurement on the basis of statistical and demographic assumptions and actuarial valuations. Subsequently to the amendment of the Italian legislation, the TFR accrued as of 1 January 2007 was assimilated, if the requirements provided for in the amendments were satisfied, to a defined contribution plan.

In the transition to the IFRS, the value of accrued TFR, and the cost pertaining to each year, was therefore remeasured. In particular, actuarial gains and losses were recognised under other comprehensive income, the service cost was recognised under "personnel expenses" and the interest expense was recognised under "financial expenses".

3) Leases

In accordance with IFRS 16, the leases of the warehousing property and the leaseback agreements concerning office machinery were classified as financial leases. The assets underlying finance leases are recognised as Company assets at their fair value at the date the contract is entered into, or, if lower, at the present value of the minimum lease payments. The corresponding liability towards the lessor is included in the statement of financial position as a finance lease liability. Lease payments are broken down into principal and interest payments so as to obtain a constant interest rate for the outstanding liability. Financial expenses are recognised directly through profit or loss in the period.

The depreciation of these assets is reflected in the annual consolidated statements applying the same criteria used for property, plant and equipment.

4) Share-based payments

The Abitare In 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.

5) Equity investments in other companies

The equity investment in Tecma Solutions S.p.A. is classified as an equity investment in other companies and was therefore measured at fair value in accordance with IFRS 9.

6) Property rental

The rental agreement for the property where the operational offices are located was classified as an operating lease. Therefore, the same accounting treatment referred to in point 3 was applied. In particular, the right of use is classified under intangible assets.

7) Tax effect of IFRS adjustments

These are the tax effects of adjustments made subsequently to the adoption of the IFRS.



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